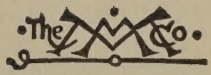
Albert Lepawsky

INTRODUCTION TO THE STUDY OF PUBLIC ADMINISTRATION



THE MACMILLAN COMPANY
NEW YORK · BOSTON · CHICAGO · DALLAS
ATLANTA · SAN FRANCISCO

MACMILLAN & CO., LIMITED
LONDON · BOMBAY · CALCUTTA
MELBOURNE

THE MACMILLAN CO. OF CANADA, LTD.
TORONTO

INTRODUCTION TO THE STUDY

OF

PUBLIC ADMINISTRATION

BY

LEONARD D. WHITE, PH.D.

PROFESSOR OF POLITICAL SCIENCE IN THE
UNIVERSITY OF CHICAGO

New York

THE MACMILLAN COMPANY

1926

All rights reserved

Copyright, 1926,
By THE MACMILLAN COMPANY.

Set up and electrotyped.
Published September, 1926.

Printed in the United States of America by
J. J. LITTLE AND IVES COMPANY, NEW YORK

TO

MY FATHER AND MOTHER

PREFACE

Curiously enough, commentators on American political institutions have never produced a systematic analysis of our administrative system except from the point of view of the lawyer. Until the last few years even the text books have obstinately closed their eyes to this enormous terrain, studded with governmental problems of first magnitude and fascinating interest; and even today they dismiss the subject with a casual chapter. But certainly no one pretends that administration can still be put aside "as a practical detail which clerks could arrange after doctors had agreed upon principles."

The fact is that the last two decades have produced a voluminous literature dealing with the business side of government. The present volume represents an attempt to bring together the salient facts of American experience and observation and to deal with them analytically and critically. To accomplish this within the limits of a single volume is no easy task, implying as it does a constant danger of falling prey either to the Scylla of indiscriminate detail or the Charybdis of unsupported generalization. The total lack of any charted passage through these unexplored waters adds much to the hazards of the venture.

The book rests upon at least four assumptions. It assumes that administration is a single process, substantially uniform in its essential characteristics wherever observed, and therefore avoids the study of municipal administration, state administration, or federal administration as such. It assumes that the study of administration should start from the base of management rather than the foundation of law, and is therefore more absorbed in the affairs of the American Management Association than in the decisions of the courts. It assumes that administration is still primarily an art but attaches importance to the significant tendency to transform it into a science. It as-

sumes that administration has become, and will continue to be the heart of the problem of modern government.

None of the technical phases of administration are developed. The student of public health administration, highway engineering, income tax collection, educational administration will consult the many admirable volumes dealing with these specialties. Running through all branches of administration, however, are certain common underlying problems: organization, personnel, control, finance, which it is the purpose of this book to explore. The particular audience to which it is directed is on the one hand the college and university student of political science, on the other hand the citizen who wishes to understand the basis of the executive phase of public affairs. The public official also may find that a systematic presentation in general terms will have the value of lending significance to his own task by disclosing it in a larger context.

The purpose has been to suggest problems rather than to present conclusions. If in spite of himself the author has occasionally slipped into dogmatism, he hopes that his readers will understand that he has his fingers crossed, and reserves the invaluable academic prerogative of leaving all questions open until all the evidence has been secured.

References have been supplied freely on account of the almost complete lack of guides to the existing literature, a gap only now partially closed by Miss Greer's admirable Bibliography of Public Administration.

If the book may provide a system of ordered relationships from which fruitful advances can be made by later writers it will have performed its chief function. If in addition it may stimulate research in a field which will abundantly repay attention, the labor of its preparation will be doubly repaid.

My colleagues, Professor Charles E. Merriam and Dr. Harold D. Lasswell, have given me invaluable systematic help in organizing the material of this volume. Professor Ernst Freund generously saved me from errors in chapter twenty, dealing with the administration and the courts. Mr. George C. Sikes, former secretary of the police pension board of Chicago, gave me the benefit of his informed judgment on the chapter dealing with

retirement systems. All of these gentlemen, however, must be absolved from any responsibility for errors or misstatements of which the author may have been guilty.

L. D. W.

Chicago, Illinois,
August, 1926.

CONTENTS

CHAPTER PAGE

I. ADMINISTRATION AND THE MODERN STATE . . . 1

The Scope and Nature of Public Administration.—The Emergence of Administration.—Science and Administration.—Public and Non-Official Administration.

II. THE EXTERNAL RELATIONSHIPS OF PUBLIC ADMINISTRATION 23

The Legislature and the Administration.—The Courts and the Administration.—Political Parties and the Administration.—Public Administration and Private Organizations.

III. THE ADMINISTRATIVE MACHINE 50

The Proper Authority to Determine Structure.—Forms of Administrative Organization.—The Allocation of Responsibility and Authority.—The Professional and the Amateur Administrator.—The Principles of Departmentalization.—The Machinery of Coordination.—The Tests of Good Administrative Organization.

IV. THE FORMS AND LIMITS OF CENTRALIZATION . 77

The Trend toward Centralization.—The Forms of Centralization.—Grants-in-aid.—Some Problems of Administrative Centralization.—The Limits of Centralization.

V. THE FORMS AND METHODS OF INTEGRATION . . 103

Introduction.—Great Britain.—The Federal Government of the United States.—Illinois.—Massachusetts.—The Movement for Integration in City Government.—Summary.

VI. THE LIMITS OF INTEGRATION 134

The Pro and Con of Integration.—The Issues.—Some Opinions.—Judicial Decisions.—The Administrative Rôle of the Chief Executive.—The Rôle of Fiscal Supervision.

VII. DEPARTMENT ORGANIZATION 164

Types of Overhead Management.—Types of Internal Organization.—Types of Control within the Department.—Function of the Head of a Department.—Qualifications of Chief Administrators.—The Advisory Function.

VIII. THE REORGANIZATION OF ADMINISTRATION . 190

The Reorganization Movement.—Some Reorganized Administrative Systems.—The Achievements of the Movement for Reorganization.

CHAPTER PAGE

IX. THE PERSONNEL PROBLEM 206
The Administration and the Administrator.—The Magnitude of the Public Employment Problem.—The Conditions of Public Employment.—Personnel Management.

X. THE HISTORICAL BACKGROUND 219
The Bureaucratic Period.—The Spoils System.—The Reform Movement.—Veteran's Preference.—Civil Service Legislation.

XI. MORALE: THE OBJECTIVE OF MODERN MANAGEMENT 234
Introduction.—The Nature and Elements of Morale.—The Depressives of Morale.—The Fundamentals of Morale.

XII. RECRUITMENT AND THE TECHNIQUE OF EXAMINATIONS 251
The Status of the Personnel Agency.—The General Conditions of Recruitment.—The Technique of Examination.—The New Employee and His Job.

XIII. CLASSIFICATION AND SALARY STANDARDIZATION 274
The Growth and Nature of the Modern Classification Plan.—The Uses of a Modern Classification.—Classification Problems.—The Salary Problem.

XIV. PROMOTION AND EFFICIENCY RECORDS . . . 298
The Results of Unorganized Systems of Promotion.—The Area of Promotion.—The Basis of Promotion.—Other Phases of Movement of Personnel.

XV. DISCIPLINE AND REMOVAL 324
Introduction.—The Forms of Discipline.—The Agency to Impose Discipline.—The Right of Review.

XVI. RETIREMENT SYSTEMS 341
The Development of Retirement Systems.—General Characteristics of American Retirement Plans.—The Establishment and Maintenance of Funds.—The Benefits to be Provided.—Administration of the Fund.—The Objects Sought by a Retirement System.

XVII. THE ORGANIZATION OF PUBLIC EMPLOYEES . 367
The Extent of Organization.—The Uses of Employee Organizations.—The Problem of Affiliation.—The Methods of Employee Organizations.—Joint Councils and Employee Organizations.—Conclusions.

XVIII. ADMINISTRATIVE RULES AND REGULATIONS . 399
Scope and Extent of the Rule-Making Power.—Safeguards.—The Administrative Importance of the Rule-Making Power.

CHAPTER PAGE

XIX. CONTROL OF ADMINISTRATION: THE LEGISLATURE AND THE ELECTORATE 418

The General Problem of Control.—The Objects of Legislative Control.—Means of Legislative Control.—Usefulness of the Legislature as a Control Agency.—The Administration and the Electorate.

XX. CONTROL OF THE ADMINISTRATION: THE COURTS 445

The Courts and the Administration.—Judicial Control of Personnel.—Control of Administrative Acts, General and Special.—The Advantages of Administrative Autonomy.

XXI. TRENDS OF MODERN ADMINISTRATION . . . 463

APPENDIX I. SOURCES OF PUBLIC ADMINISTRATION 479

APPENDIX II. UNION AFFILIATIONS AND LOCAL ORGANIZATIONS OF MUNICIPAL EMPLOYEES CITY OF CHICAGO 484

INDEX 491

INTRODUCTION TO THE STUDY OF PUBLIC ADMINISTRATION

INTRODUCTION TO THE STUDY OF PUBLIC ADMINISTRATION

CHAPTER ONE

ADMINISTRATION AND THE MODERN STATE

Management has gradually become a profession. Its task has increased in difficulty, responsibility, and complexity, until today it touches all the sciences, from chemistry and mechanics to psychology and medicine. It calls to its service, therefore, men and women with tact and ideals, with the highest scientific qualifications and with a strong capacity for organization and leadership. It is employing lawyers and doctors, accountants and artists, and by directing their professions, is forming a supreme profession of its own, with all the implications consequent upon such a line of progress of standards, qualifications, apprenticeship, and technique.

Oliver Sheldon: *Philosophy of Management.*

1. The Scope and Nature of Public Administration.

There is an essential unity in the process of administration, whether it be observed in city, state or federal governments, that precludes a "stratified" classification of the subject. To treat it in terms of municipal administration, state administration, or national administration, is to imply a distinction that in reality does not exist. The fundamental problems such as the development of personal initiative, the assurance of individual competence and integrity, responsibility, coordination, fiscal supervision, leadership, morale are in fact the same; and most of the subjects of administration defy the political boundaries of local and state government. Health administration, the licensing of medical practitioners, the control of trade, the reclamation of waste lands, have little fact relation to cities or counties or states as such. Nor do the respective phases of city, state, or federal government present any significant variation in the technique of their administration. At the outset, therefore, it seems im-

portant to insist that the administrative process is a unit, and to conceive it not as municipal administration, or state administration, or federal administration, but as a process common to all levels of government.

Public administration is the management of men and materials in the accomplishment of the purposes of the state. This definition emphasizes the managerial phase of administration and minimizes its legalistic and formal aspect. It relates the conduct of government business to the conduct of the affairs of any other social organization, commercial, philanthropic, religious, or educational, in all of which good management is recognized as an element essential to success. It leaves open the question to what extent the administration itself participates in formulating the purposes of the state, and avoids any controversy as to the precise nature of administrative action.[1]

The objective of public administration is the most efficient utilization of the resources at the disposal of officials and employees. These resources include not only current appropriations and material equipment in the form of public buildings, machinery, highways and canals, but also the human resources bound up in the hundreds of thousands of men and women who work for the state. In every direction good administration seeks the elimination of waste, the conservation of material and energy, and the most rapid and complete achievement of public purposes consistent with economy and the welfare of the workers.

The actual functioning of this branch of government may perhaps be made more realistic by an account of what takes

[1] One of the earliest definitions by an American author is found in the following lines written by Woodrow Wilson: "The field of administration is the field of business. . . . The object of administrative study is to rescue executive methods from the confusion and costliness of empirical experiment and set them upon foundation laid deep in stable principle. . . . Public administration is the detailed and systematic execution of public law. Every particular application of general law is an act of administration." "The Study of Administration," *Political Science Quarterly*, vol. 2, pp. 210, 212.

Goodnow defined the field in these terms: "Such then is what is meant in these pages by the function of administration—the execution, in non-judicial matters, of the law or will of the state as expressed by the competent authority." *Principles of Administrative Law of the United States*, p. 14 (1905). Goodnow's writings, however, do not make a clear distinction between administration and administrative law. This distinction is only now emerging in fact. It is recognized by the French phrases, *droit administratif* and *doctrine administrative*, by the German words *Verwaltungsrecht* and *Verwaltungskunde*, or *Verwaltungspolitik*. Note also the words "*les sciences administratives.*" See below, p 4 for the author's differentiation.

place in a great department in the course of a day. For purposes of illustration a health department in a large city will suffice. Business commences at nine o'clock, when most of the employees are presumably at their desks. As they enter the office, they sign a time sheet or punch a time clock, dispose of their outer garments in lockers, exchange comment with their neighbors and settle down for the day's work. A steady stream of business develops; telephone calls from citizens, from field inspectors, and from special detail; window calls on a great variety of topics large and small; telegraphic reports from a neighboring city in which an epidemic is threatening; conferences within the bureaus; conferences between bureaus; messengers hurrying back and forth; policemen from local health stations bringing in samples for analysis, and anxious citizens seeking the results of samples brought in yesterday; a deputation from the undertakers protesting against the condition of the hospital morgues; an alderman seeking appointment for a local supporter; a score of prostitutes waiting in the anteroom for examination before appearing in the courtroom; a salesman protesting against the award of a contract for laboratory supplies; a handful of loiterers whispering in casual groups in the corridors, all seeming to the uninitiated observer the height of confusion and disorder. Further observation, however, dispels the first impression; the various kinds of work are segregated and assigned to specially trained men and women; certain types of inquiry or complaint are handled by a standardized method; forms are made out and sent on the proper route for final disposition; some business is transacted by a clerk, other business is referred to the assistant bureau chief, so that by a process of selection routine work is disposed of by the lower ranks of the service, while matters of importance are brought to the attention of the higher officials. Thus proceeds in an orderly fashion all the complicated business of the office; some spend the day making out forms, others filing correspondence, some answering telephone complaints and directing inspectors, others dictating correspondence, making bacteriological analyses, inspecting ventilation systems, granting licenses, making blue prints, while at the head of the service, the commissioner of public health maintains the necessary connections of the department with the city council and the mayor, with the party

organization, with the finance committee, with the public, and with the health authorities of the state and the United States, not neglecting meanwhile to assure himself of the proper operation of the many phases of the work of the department itself.

All of this is a far cry from the Egyptian scribe who laboriously copied accounts on his roll of papyrus, but the natural history of administration connects its ancient and modern forms in an unbroken sequence of development. The process of specialization has indeed wrought a prodigious transformation in methods, but the essential administrative duties connected with military affairs, with finance, with the "king's" household are still performed with the same objectives as in ages past. What differentiates the modern public official from the scribe of antiquity is the marvelous material equipment with which he works, and the contribution which science has made, and continues to make, to his profession.

Public administration is, then, the execution of the public business; the goal of administrative activity the most expeditious, economical, and complete achievement of public programs. This obviously is not the sole objective of the state as an organized unit; the protection of private rights, the development of civic capacity and sense of civic responsibility, the due recognition of the manifold phases of public opinion, the maintenance of order, the provision of a national minimum of welfare, all bespeak the constant solicitude of the state. Administration must be correlated with other branches of government, as well as adjusted to the immense amount of private effort which in America far more than elsewhere supplements public enterprise. The following chapter deals with these adjustments, but here it is desirable to differentiate the adjacent fields of administration and administrative law.

It is said that "administrative law is that part of the public law which fixes the organization and determines the competence of the administrative authorities, and indicates to the individual remedies for the violation of his rights."[1] This definition rightly

[1] Frank J. Goodnow, *Comparative Administrative Law*, vol. 1, pp. 8-9 (1893). The contrast is well brought forth by comparing two articles dealing with the two fields, respectively: J. D. Barnett, "Public Agencies and Private Agencies," *Am. Pol. Sci. Rev.*, vol. 18, pp. 34-48 (1924); and J. C. Logan, "Cooperation of Public and Private Welfare Agencies," *Annals*, vol. 105, pp. 88-92 (1923).

indicates that the subject matter belongs to the field of law, and points to its major objective, the protection of private rights. The objective of public administration is the efficient conduct of public business.

These two goals are not only different, but may at times conflict. Administration is of course bound by the rules of administrative law, as well as by the prescriptions of constitutional law; but within the boundaries thus set, it seeks the most effective accomplishment of public purposes. The whole matter is tersely set forth by Professor Freund.[1]

> The thought of those interested in public administration seems at the present time to be mainly concerned with problems of efficiency. This is easy to understand. With the rapid expansion of governmental control over all kinds of important interests we have, on the whole, held fast to the self-governmental theory of administrative organization which is not productive of the highest degree of expert knowledge and skill.
>
> Yet increased administrative powers call for increased safeguards against their abuses, and as long as there is the possibility of official error, partiality or excess of zeal, the protection of private right is as important an object as the effectuation of some governmental policy.

Students of government are familiar with the traditional division of governmental activities into the legislative, executive, and judicial.[2] It is important to understand that the work of the administration involves all three types of activity, although a strict application of the theory of separation of power would seem to confine it to "executive" business. After pointing out that the administrative commission exercises an authority which is in part executive, in part legislative, and in part judicial, Croly asserts

[1] *Proceedings, Am. Pol. Sci. Assoc.*, vol. 6, p. 58 (1909).

[2] A careful definition of terms is to be found from the pen of the editor in the *Illinois Law-Review*, vol. 15, pp. 108-18. He writes: "Legislation is the declaration, independently of their application, of new rules of compulsory conduct, by an organ of the state, whose powers are specialized to exclude other functions except as incidental. Adjudication is the determination of a specific controversy, by the application of a rule of compulsory conduct, by an organ of the state, whose powers are specialized to exclude other functions except as incidental. The executive function is the factual and ultimate realization of a rule of compulsory conduct through an organ of the state, whose powers are specialized to exclude other functions except as incidental. Administrative power is a fourth term; its functions in pure theory must always be one of the three kinds of powers enumerated, but in practice may be and usually are a combination of two or more of these powers. Clear examples of this combination of powers are the Interstate Commerce Commission, the Federal Trade Board, and the numerous state public utility commissions."

"it is simply a means of consolidating the divided activities of government for certain practical social purposes," and proceeds to give a reasoned defense of this fusion of powers.[1] Administration more and more tends in fact to reach into the established fields of legislation and adjudication, raising important problems which will be the subject of study in later chapters.

Students of public affairs are gradually discerning, in fact, that administration has become the heart of the modern problem of government. In an earlier and simpler age, legislative bodies had the time to deal with the major issues, the character of which was suited to the deliberations of the lay mind; they were primarily problems involving judgments on important questions of political ethics, such as the enfranchisement of citizens by abolishing property qualifications, the disposition of the public land, the disestablishment of the Anglican Church, or the liberalization of a monarchist state. The problems which crowd upon legislative bodies today are often entangled with, or become exclusively technical questions which the layman can handle only by utilizing the services of the expert. The control of local government, the regulation of utilities, the enforcement of the prohibition amendment, the appropriation for a navy, the organization of a health department, the maintenance of a national service of agricultural research, are all matters which can be put upon the statute book only with the assistance of men who know the operating details in each case. So we discover in the administrative service one official who knows all that can be known about the control of water-borne diseases, another who has at his finger-tips the substance of all available information on wheat rust, and another who cannot be "stumped" on appropriations for the national park service. These men are not merely useful to legislators overwhelmed by the increasing flood of bills; they are simply indispensable. They are the government. One may indeed suggest that the traditional assignment of the legislature as the pivotal agency in the governmental triumvirate is destined at no distant date to be replaced by a more realistic analysis which will establish government as the task of administration, operating within such areas as may be circumscribed by legislatures and courts.

[1] Herbert A. Croly, *Progressive Democracy*, ch. 17 (1914).

2. The Emergence of Administration.

It is from Great Britain of course that the United States derived its administrative institutions. Our local governments were patterned after the English model in the seventeenth century. Decentralized, self-governmental, dominated by the "squirearchy," they proved to be readily adaptable to the economic and social conditions of the New World. Even today the main lines of our administrative structure are profoundly influenced by their English origin; nowhere in the American commonwealths can be found the prototype of the continental intendant or his successor, the prefect.

But the modern social and economic environment in which administration operates, and the insistent demand for a greater and greater degree of state intervention are destined to force the issue whether a modern industrial, interventionist state can possibly operate on the restricted base of voluntary and substantially amateur effort which characterizes our administrative inheritance. The problems with which officials must grapple are now so varied in scope, so technical in character, so insistent for solution that it hardly seems possible that the state can hold its own except by adopting at least some of the essentials of bureaucratic administration. Is it not now imperative for democratic states to derive the advantage of a civil service characterized by permanence of tenure, special training for official position, professional interest on the part of the public official, undivided loyalty to the interests of the state? No one will understand that this suggestion is in favor of autocratic as contrasted with democratic institutions. But democracies can fruitfully borrow from more highly organized administrative systems those elements which can be properly adapted to their fundamental political institutions in order to make more effective the achievement of their own purposes and programs.

The fact is that the rôle of administration in the modern state is profoundly affected by the general political and cultural environment of the age. The *laissez faire* school of social philosophy, demanding the restriction of state activities to the bare minimum of external protection and police, created a situation in which administration was restricted in scope and feeble in operation. Officialdom was thought a necessary evil, bureaucracy an ever-present danger. On the continent irresponsible

governments, able within large limits to defy the wishes of the people, and themselves often without programs of social betterment, contributed powerfully to the philosophic argument in favor of non-intervention by the state.

The industrial revolution and its many social, economic, and political implications are fundamentally responsible for the new social philosophy and the new concept of public administration. *Laissez faire* has been abandoned by philosophers and statesmen alike, and a new era of collective activity has been ushered in by the twentieth century. The expansion of industry on a national and international scale, the growth of transportation by railroad, motor truck and airplane, the transformation of communication by modern postal systems, the press, the telegraph, telephone, wireless and radio, the enormously increasing mobility of persons and ideas, the urbanization of industrial states and the crystallization of powerful social classes and economic interests have not only increased the area and intensity of administrative activity, but also have added new types of problems and magnified the importance and difficulty of the old.

The industrial revolution has necessitated, in short, a degree of social cooperation in which *laissez faire* has become impossible; and gradually the new environment is building up in men's minds a conception of the rôle of the state which approximates the function assigned it by the conditions of modern life. These new ideas involve the acceptance of the state as a great agency of social cooperation, as well as an agency of social regulation. The state becomes therefore an important means by which the program of social amelioration is effected. "The power of the civil service is increasing," writes an English scholar, "for the state has given up its old rôle of acting, in Lassalle's phrase, as nightwatchman, as a mere dispenser of justice in the strictest sense of the word. Today it acts on the theory that the good of the individual and of society may be discovered by the processes of social reason and action, and be implemented through statutes." [1]

The enlarging positive program of the state does not imply by any means a corresponding diminution of its repressive and regulative activities. The struggle of classes over the distribution

[1] Herman Finer, "The Civil Service in the Modern State," *Am. Pol. Sci. Rev.*, vol. 19, pp. 277-289 (1925).

of the social surplus has led to the intervention of the state on behalf of the economically weak (children, women, laboring classes) by insistence on minimum wage, limited hours of labor, and healthful working conditions; the persistence of various groups of "reformers" has brought about prohibitions and regulations of divers kinds (sale of cigarettes, narcotics, alcohol, censorship of motion pictures); the need for guaranteeing so far as possible the integrity of the processes of self-government has led to the regulation of elections and political parties, and the elaboration of such repressive legislation as corrupt practice acts.

In every direction, therefore, the task of the modern state is enlarging. In every direction likewise the range of public ad-administration is being extended, for every phase of the new program of the state is reflected in additional administrative activity.

For these reasons it is not surprising that in the last two decades increasing attention has been given to the business side of government. The remarkable thing is that for over a hundred years of our national existence, the only phase of administration to emerge in the arena of national issues was the spoils system. In a brilliant essay Wilson explained the American failure to grasp the importance of sound administration. Writing in the *Political Science Quarterly,* he pointed out:

> No one wrote systematically of administration as a branch of the science of government until the present century had passed its first youth and had begun to put forth its characteristic flower of systematic knowledge. Up to our own day all the political writers whom we now read had thought, argued, dogmatized, only about the *constitution* of governments; about the nature of the state, the essence and seat of sovereignty, popular power and kingly prerogative. . . . The central field of controversy was that great field of theory in which monarchy rode tilt against democracy, in which oligarchy would have built for itself strongholds of privilege, and in which tyranny sought opportunity to make good its claim to receive submission from all competitors. The question, how law should be administered with enlightenment, with equity, with speed, and without friction, was put aside as a practical detail which clerks could arrange after doctors had agreed upon principles.

Unfortunately the future President of Princeton University and the United States never carried his penetrating researches beyond this preliminary study.

The interest of the twentieth century in public administration is due to a variety of causes. Of these the rapidly increasing cost of government, "the unprecedented cataclysm of public expenditure," is one of the most important.[1] The statement is made that the total revenues raised for municipal, county, state, and national purposes increased from $2,131,402,000 in 1912 to $6,346,332,000 in 1922, an increase of 198 per cent; and the per capita revenues in 1912 increased from $21.96 to $58.37 in 1922.[2] The total net expenditures of the federal government reached their peak in the fiscal year 1920, at $5,687,712,849, since when there has been a progressive decline to an annual expenditure of about $3,000,000,000. The expenditures of the state governments, however, show a rapid increase since the war. In 1913 they were $3.95 per capita, and in 1922, $11.82.[3] Municipal expenditures show a per capita increase for all general departments from $17.34 in 1912 to $33.15 in 1922.[4] Dr. Mitchell and his associates estimate an increase in national income, 1913 to 1919, from 33.3 billions to 66.0 billions of dollars, or approximately two hundred per cent. This indicates that national income is not burdened by governmental expenditure to any substantially greater degree in recent years than before the war, but the outcry against high taxes is none the less real.[5] The wide publicity given to the rising tide of expenditure, the heavy burden of taxation, and the dramatic efforts of the national administration in favor of economy, have all emphasized the demand for greater efficiency. The pressure for more effective use of public resources is unremitting, and so long as existing high levels of taxation remain, every avenue will need

[1] *See* Henry J. Ford, *Cost of our National Government* (1910); Edward B. Rosa, "Expenditures and Revenues of the Federal Government," *Annals*, vol. 95, p. 1 (1921); Herbert D. Brown, "The Historical Development of National Expenditures," *Proceedings of the Academy of Political Science*, vol. 9, pp. 336-346 (1921).

[2] "The Trend in Public Expenditures," *Annals*, vol. 113, part 1 (1924).

[3] Austin F. MacDonald, "The Trend in Recent State Expenditures," *Annals*, vol. 113, pp. 8-15; *cf.* Minnesota Tax Commission, "Cost of Government in Minnesota," *Biennial Report*, 1918. "The economic fact which is going to force good municipal government—even scientific management in city affairs—is the growing cost of the undertaking. It is only because we do not have the figures which represent the difficulty of the task ahead of us that we are not appalled by it." Morris L. Cooke, "Scientific Management of the Public Business," *Am. Pol. Sci. Rev.*, vol. 9, pp. 488-495 (1915); cf. "The Cost of Government, City of Detroit," *Public Business*, no. 80, 97, published by the Detroit Bureau of Governmental Research.

[4] Lane W. Lancaster, "The Trend in City Expenditures," *Annals*, vol. 113, pp. 15-22 (1924).

[5] National Bureau of Economic Research, *Income in the United States*, vol. 1, p. 13 (1921).

to be explored in order to secure maximum results for every expenditure.

The World War brought into vivid contrast the administrative methods of democratic and autocratic governments, and gave rise to sharp criticisms of the time-honored plan of "muddling through." At an early date the war was declared to be one between democracy and autocracy, but at a later date there was general agreement that democracy had been forced to adopt the administrative methods of autocracy to gain its end.[1] The various administrative methods employed in the belligerent countries to control the food supply, however, furnish interesting illustrations of the democratic and autocratic approach to specific problems.

On a less dramatic scale, international competition in trade and industry continues to sharpen the demand for efficiency in government. The United States Chamber of Commerce has taken an active interest in greater efficiency "because as business men they already believed in efficiency and economy and wanted to see it applied to the municipal, state, and national governments; because they realized that efficient and economical government was a prime requisite for prosperity and business success; and because as good citizens, they desired to see an honest, sound and intelligent administration." In 1912 at the first annual meeting of the Chamber of Commerce there was discussion of budget reform for the federal government, followed by a referendum which almost unanimously adopted a specific proposal. Year after year the Chamber of Commerce has pressed the matter upon the attention of Congress.

This organization has also urged federal grants for the assistance of vocational schools, a federal department of public works, a general reorganization of the administrative system, improved methods of personnel management, and a permanent planning department in the post office. The New York Chamber of Commerce has also taken an active part in proposing better administration, both state and federal. The reorganization of the consular and diplomatic services achieved by the Rogers Act was urged by business interests. Secretary Hoover's recent revelations of monopolies in rubber, coffee, sisal, and other com-

[1] Cf. Charles G. Fenwick, "Democracy and Efficient Government—Lessons of the War," *Am. Pol. Sci. Rev.*, vol. 14, pp. 565-86 (1920).

modities controlled by foreign governments point to a new phase of international commercial competition which may have important reactions on the problems of our administrative organization. The fact of the matter is that American business has reached the point where it cannot continue to reap profits merely by enlarging its productivity to catch up with a home market protected by a high tariff wall. It is now a competitor in the world market, and is faced with the necessity of maintaining profits largely by reductions in the cost of production through better management and more effective use of resources. That is, it has been forced to consider on a large scale the reduction of expenses, and the most efficient utilization of its equipment. In this it has preceded government.

The insistence of powerful social groups upon the practical realization of their legislative programs is a constant spur to improved administrative methods. The enforcement of the eighteenth amendment is a significant illustration of the point. The advocates of stringent enforcement legislation failed to insist upon the selection of prohibition officials by merit. The lax and feeble enforcement of the Volstead Act quickly caused the Anti-Saloon League to demand better execution of the law; the issue shifted from policy to administration. This illustrates a universal transfer of interest, for when once a policy has received legislative sanction, the chief problem becomes one of administration. Similarly the agencies interested in limitation of the hours of labor, minimum wage, tax reform, and other issues become powerful exponents of sound administrative methods.

The scientific management movement has had a very important share in stimulating improvement in the methods of carrying on public business.[1] Commencing with the pioneer work of Frederick W. Taylor, the movement has developed constantly widening interests, and has eventually built up the outlines of a whole philosophy of social betterment on the basis of scientific control of the productive process.

[1] *See* Frank B. Copley, *Frederic W. Taylor, the Father of Scientific Management* (1923); Horace B. Drury, *Scientific Management, a History and Criticism* (1915); Edward E. Hunt, *Scientific Management since Taylor* (1924); General William Crozier, "Scientific Management in Government Establishments," *Bulletin of the Taylor Society*, vol. 1, no. 5 (1915); C. B. Thompson, "Literature of Scientific Management," *Quarterly Journal of Economics*, vol. 28, pp. 506-557 (1913-14); Henry H. Farquhar, "Positive Contributions of Scientific Management," *Ibid*, vol. 33, pp. 466-503 (1918-19), and "Critical Analysis of Scientific Management," *Bulletin of*

The enormous improvements which have been made by scientific management in some industries have raised the question whether or not equally striking improvements are feasible in government. Whatever answer be given to this question, there can be no doubt that the achievements of scientific management have aroused a vast amount of dissatisfaction with the antiquated methods which have characterized many public offices. More and more clearly it is being understood that the promise of American life will never be realized until American administration has been lifted out of the ruts in which it has been left by a century of neglect.

3. Science and Administration.

In an earlier paragraph it was suggested that what differentiates the civil servant of antiquity from his twentieth century successor is the remarkable improvement of the equipment with which he works. The unexampled development of science and technology in the last half century has transformed not only the equipment but the tasks of administration as well. Science has revealed the objects to be achieved and also furnished the tools with which the state operates. Could one make a careful comparison of the actual work performed and methods used by an American commonwealth or municipality in 1825 with its work and methods in 1925, the contrast would be startling. Then highways were dirt roads, built with shovels, picks, horses, and human labor, on the "scientific" basis of the common sense of the town selectman. Schools were the province of the local "school-marm" and the town or county board of education, specializing in the three R's and plenty of "applied discipline." Public sanitation was nobody's business; the country doctor treated the sick and the undertaker disposed of those who fell before the onslaughts of uncontrolled epidemics.[1] Agriculture,

the Taylor Society, vol. 9, pp. 16-30 (1924); Frederick A. Cleveland, "The Application of Scientific Management to the Activities of the State," *Tuck School Conference on Scientific Management*, pp. 313-35 (1912); Morris L. Cooke, "The Influence of Scientific Management upon Government," *Bulletin of the Taylor Society*, vol. 9, pp. 31-38 (1924).

Note also William H. Leffingwell, *Office Management* (1915); Richard H. Lansburgh, *Industrial Management* (1923).

For a very significant change in the attitude of organized labor toward management, read "Labor's Ideals Concerning Management," by President William A. Green of the American Federation of Labor, *Bulletin of the* Taylor Society, vol. 10, pp. 241-53 (1925).

[1] Cf. especially the yellow fever scourges during 1870.

the chief occupation of the population, was completely innocent of any traffic with science. The care of the poor and the feeble-minded, the custody of the criminal and the insane were all given over to the "overseers of the poor" in the rural districts, with no thought of classification, remedial treatment, scientific study or preventive action. And so one might go on; all the elaborate paraphernalia of technology, investigation, and scientific procedure was absent from the social technique of a short hundred years ago.

To what extent the modern state now depends upon science is not easily described, for the whole technical equipment of present-day administration rests upon scientific achievement. More than that, the modern administrator has in many cases become not only a scientist, but a research scientist. Few of the major tasks of modern administration can be carried on without the constant support of the technician; education, sanitation, construction (highways, reclamation, public buildings), regulation, conservation, public welfare administration, criminology, the management of funds, the management of personnel, control of the administrative process, all these and many more demand the services of the specialist and of his unique body of knowledge.

A specific illustration will serve to emphasize the point. Illinois in 1921 was employing bacteriologists, chemists, engineers, physicians, nurses, pathologists, histologists, psychologists and psychiatrists, geologists, biologists, entomologists, botanists, foresters, curators, statisticians and laboratory workers to the number of 230.[1] They were engaged partly in routine scientific operations, partly in research work and all were attached to departments or agencies which had important administrative tasks to perform for which their services were indispensable. Among the many scientific enterprises which were then under way a few may be singled out as examples. The bureau of tests in the highway division of the public works and buildings department was engaged upon the construction and observation of an "experimental road" consisting of sixty-three sections, each laid down according to different specifications. On each of these sections elaborate and precise measurements were made of the action of pavement under changes of temperature and

[1] This enumeration takes no account of the large and varied group of specialists in the state university.

distribution of loads, action of the sub-soil, effect of repeated loading, movement of pavement in relation to sub-grade. In the laboratory experiments were being carried on dealing with the fatigue of concrete, the curing of concrete, and the testing of materials.

The natural history survey was engaged in the problem of water pollution in the Illinois River, a situation created by the sewage discharge from Chicago. Other scientists of the survey were active in an experimental study of the effects of variation in temperature, humidity, light, and rate of evaporation on the activities and rates of production of destructive insects. Others were making a plant disease survey. Of the seventeen professional employees, all but one had a college degree and three had the degree of doctor of philosophy.

The Institute for Juvenile Research made routine examinations of a medical, psychological, and sociological nature of boys and girls sent to it from various agencies, including the juvenile court. The staff was also engaged upon the study of such problems as the relation of intelligence to deliquency, the relation between certain behavior mannerisms and mental rating, studies in volition, and studies of metabolism in cases of behavior difficulties.[1]

One does not need to multiply such illustrations to prove the obvious. Science is making a vast contribution to the daily administrative task of the government, a fact of fundamental import to modern society. Before developing its significance, however, attention should be turned to a new contribution of science which has already been hailed by some as "the science of administration." That is, science is not only furnishing the tools with which administration works, it is transforming the methods of administration (in the sense of management) from rule of thumb empiricism to ascertained principle. Here it is that scientific management has been the leader. The search for the "one best way" of doing things has led to a constantly developing technique of research and a constantly greater refinement of method.

Although we are entitled to certain reserve in the use of the phrase "the science of management," we are wholly justified

[1] For a more complete statement consult my "Status of Scientific Research in Illinois," *Bulletin of the National Research Council*, No. 29 (1923).

in asserting that a science of management appears to be immediately before us. In some respects indeed it is now fairly well established. By way of illustration the "standardized test" procedure may serve. Questions are developed to test the specific qualities established as essential for a given position. These questions are then given to persons whose competence is known, and a correlation established between the ranking obtained by the test and by the independent rating. In another direction the measurement of efficiency has produced certain interesting and significant procedures which have some claim to the term scientific.[1] Mechanical problems connected with routing, equipment, ventilation, lighting and the like have been dealt with on a strictly scientific basis. We may suppose that eventually more subtle and complicated problems will be attacked with the aid of scientific methods.

The growth of science and technology and their application to the business side of government has already created a new environment in which old theories need to be readjusted. It is manifestly impossible in an age when public administration depends upon the slide-rule, the clinical thermometer, the test tube, and higher mathematics, to continue on the Jacksonian notion that "the duties of all public officers are, or at least admit of being made, so plain and simple that men of intelligence may readily qualify themselves for their performance." The duties of public office are complicated, highly specialized, professional, and immensely important. They can be adequately performed only by permanent officials, with suitable professional and technical training, acting under the direction of department heads of the broadest vision who are able by their personal leadership to mediate between the technician, the politician, and the public.

The impact of science upon administration raises many important questions. Among these is the most effective organization of the scientific personnel. Obviously something may be gained and something may be lost by attempting to segregate the function of research and scientific endeavor in the realm of administration. One of the most significant proposals of Lord Haldane's committee on the Machinery of Government was the insistence upon the importance of research and the demand

[1] *See below*, ch. 14

for a department of research and information. Pointing out that in the army and navy the principle had long been recognized of placing the "business of enquiry and thinking in the hands of persons definitely charged with it," and referring to the proved impracticability of devoting the necessary time to thinking out organization and preparation for action "in the mere interstices of time required for the transaction of business," Lord Haldane declared in favor of a responsible ministry for conducting research of interest to one or several departments, supplementary to the research activities of each department.[1]

Of equal importance is the provision of a working environment and an employment situation which will enable the government to secure and retain competent professional employees. Shall a scientist be entitled to patent a discovery made directly or indirectly in connection with his employment by the government? Shall the scientist be free to publish his results under his own name, or must he remain anonymous? Should the scientist receive the equivalent of the academic sabbatical leave in order to freshen his own interests? To what extent should his work and expenditures be under supervision of non-scientific fiscal agents? These questions and many others can be asked more easily than they can be answered.[2]

4. Public and Non-Official Administration.

The antecedents of American public administration are profoundly different from those of American business. For over a half century the spoils system held undisputed sway in government affairs, and for a century its influence has been great. The gigantic struggle to loosen the grip of the politician has inevitably left its marks upon the body of the civil service. Many of the conditions which seem to lessen the efficiency of

[1] Great Britain, Minister of Reconstruction, Report of the Machinery of Government Committee, 1918 (cd. 9230).

[2] *See* Edward B. Rosa, "Expenditures and Revenues of the Federal Government," *Annals*, vol. 95. pp. 1-113 (1921). Dr. Rosa presents an illuminating table (p. 9) indicating that the federal government expended for research, education, and development work in 1920 about $57,000,000, or one per cent of the total expenditures for the year. Of a total per capita expenditure of $53.46, as much as $50.01 went for military expenditures and paying for past wars. I estimated that in 1919-20 Illinois spent for research about $190,000 or four-tenths of one per cent of the total expenditures. The student may consult an essay, written in general terms, by Charles M. Douglas, *Science and Administration*, in J. E. Hand, ed., *Science in Public Affairs*, pp. 207-221 (1906). *See also* Henry C. Metcalf, ed., *Linking Science and Industry* (1925), and *Scientific Foundations of Business Administration* (1926).

government offices are the product of the legal protection evolved to guarantee even a moderate level of efficiency and integrity. These cannot be relaxed to any considerable degree without encouraging an immediate return to the evils of an age now happily waning. But in the city manager cities can be observed the relaxation of legal safeguards as they are replaced by a new ideal of the public service.

Business has not been scarred by a similar struggle to free itself from incompetence, although it has had other almost equally difficult conditions to meet. Business, too, has been more strongly armed, for the incentive of profit and the spur of competition have compelled constant improvement. Profits also furnished business an intelligible test of success, but they are of no help whatever in assessing the achievements of government. Government has not the profit incentive, either as a collectivity or viewed from the standpoint of the individual employee, nor is it deeply affected in America by any sort of competition, whereas in Europe international rivalry has done much to strengthen both the civil and military establishments. The sustaining incentives for high productivity in government must in fact be sought elsewhere, and the search constitutes at once the most delicate and the most important task of the student of administration.

Government is constrained to a rigid observance of the principle of consistency, which may be ignored by business.[1] "Consistency means reasoned relation between decisions for one class of case and decisions for another class, wherever it is a question of degree." Law prescribes that manufacturers shall maintain conditions of employment which are "reasonably safe" for their employees. It is of the essence of administrative activity that consistent rules shall be made and applied to all manufacturers under like circumstances, and our courts insist upon due equality of treatment. A special assessment is "spread" upon land adjacent to a public improvement. Each piece of land must be treated with absolute impartiality according to the general rule. An appropriation is made for temporary housing of unemployed men in a great city during the winter months. The superintendent of charities cannot refuse shelter to some and give it to

[1] Josiah C. Stamp, "The Contrast between the Administration of Business and Public Affairs," *Journal of Public Administration*, vol. 1, pp. 158-171 (1923).

others on account of racial, religious, political, social or other circumstances. The principle of consistency must be applied as between successive cases, over the whole of the area concerned, for the complete period of time involved.

But business (excluding public utilities), philanthropy, religion, endowed education, are under no such compulsion. A state university must throw open its resources to all qualified applicants alike, but a privately endowed institution may impose an arbitrary limit on the gross numbers, or draw racial lines, or vary its entrance requirements at will, so far as its governing authorities deem wise. The Federal Trade Commission is gradually building up certain standards of consistency in the conduct of business as it defines unfair practices, but business is still free to vary its service and prices in ways forbidden to government. A significant study could be made of the development of the principle of consistency in the business world.

So in dealing with its personnel, government is under a moral obligation to consistency (by no means always secured) which business need follow only so far as its interest may seem to dictate. Likewise in the provision of service, a business firm is under no obligation to sell where it cannot make a profit; but if a New England town maintains a visiting nurse, the outlying farm families are as much entitled to her services as the village folk, although the inconvenience and expense of the service may be quite disproportionate.

Government affairs differ in another respect from private affairs; their conduct is subject to a degree of accountability which is far more minute and pervasive than business. Appropriation acts are much more specific and rigid than allotments of commercial funds; auditors are insistent upon exact compliance with the terms of the law; Congressmen are always alert to discover any violation of the statute book. "Congress," writes former Secretary Redfield, "sits outside on its hill eager to detect any departure from the precise rules it has laid down. The only possible course a subordinate may take with safety is to follow laws in their strict literal meaning."[1] One may readily

[1] William C. Redfield, *With Congress and Cabinet*, p. 139 (1924). That government administration lacks the resilience and initiative of business in Great Britain as well as in the United States may be inferred from the following paragraph taken from Sir Josiah C. Stamp, *loc. cit.*

There is no possibility of a government department experimenting, shall we say "going off the deep end," in anything requiring monetary expendi-

imagine the fate of an American business firm conducted on such a basis.

Public administration has also its vantage points. There is even in America a glamor surrounding some branches of the public service which attracts young men toward such work as the consular service, the railway mail service, the secret service force of the federal government, the public health service, the reclamation service. The complex urge toward a government job has never been analyzed and we can only surmise its elements. The opportunity to travel (played up by the marine corps and the navy in their campaign for recruits), the lure of a "government" job, the dignity and honor of the occupation, all probably play a part.

In Europe the prestige value of public office is universally recognized. The English universities regularly send their quota into the national departments, and the tradition of the service constantly attracts some of the best brains of each generation. With such a line of forebears as Geoffrey Chaucer, John Milton, John Stuart Mill, Sir Henry Maine, ably carried forward by such figures as Sir William Beveridge, Sir Robert Morant, and Lord Haldane, the civil servant may rightly be proud of his calling. In France the desire to see one's son a *fonctionnaire* outweighs perhaps all other paternal ambitions. In Germany the *Staatsdienst* achieved in a way its highest flower; the prestige of the service, long carefully cultivated by the state and protected by elaborate requirements for entrance, ranked with the most honorable of the professions. It too has had its great figures: Stein, Hardenberg, List and Bismarck.

Both in England and on the continent family traditions have

ture, in the same way as the business can. There the branch manager may come to the head and say, "I have a notion that if I spend some money in a certain direction it will work out all right and prove a good thing." The head will reply: "I am not sure you are right, I am not quite in a position to judge, but you are there to make your place pay, and we are not going to dictate to you how to do it, but if you spend money, we expect to see a good result," and the man takes the risk of failure or success. No government department undertakes any such chance in its work; it has almost to prove itself a success before it may be tackled. You do not say to the Treasury in the ordinary way, "I think this might be an improvement, and I think there is a fifty-fifty chance (as the Americans would say) of its paying." "No," the Treasury say, "show us 95 per cent and we will give it to you," and in the long run they have to have Parliament behind them. Can you imagine the Treasury saying to a department, "You are very slow and unenterprising in the amount of money you spend. We propose to give you 30 per cent more, now please make the best use of it next year"? This differentiates sharply between the two tasks of administration.

developed which foreordain each succeeding generation to the public service, diplomacy, finance, colonial government, the military forces. In America the same tradition seemed to be developing in the early days of the republic, but was unable to withstand the lusty blows of frontier democracy. But the history of the Adams family suggests that a flair for public service runs through our inheritance, too, and only awaits a favorable opportunity to reveal itself. America has had its great administrators; one need only recall such names as Alexander Hamilton, John Quincy Adams, John Hay, Elihu Root, Franklin K. Lane and Herbert Hoover. But we have failed to capitalize the worth of their achievements to build up the honor and renown of government work.

Public administration offers an opportunity for constructive leadership in America which is hardly paralleled in unofficial circles. The large scale of the operations, the variety of the tasks, their immediate relation to the commonweal, all strike the imagination through a combination of appeals which industry and commerce do not ordinarily achieve. The city manager is more than an engineer, and his profession as manager is likely to strike deeper than his profession as engineer.

The state need not attempt to compete with business on a financial basis for its administrative leadership. It needs as fine administrative capacity as business, but must attract it by means of other considerations. It must of course provide an adequate scale of salaries and proper provision for retirement, but it will hold its own in the competition with industry by capitalizing the prestige value which attaches to a "big" organization, to a "big" opportunity, and to the honor of public position. The state can and presumably will provide in constantly more generous measure a career which will call for and receive, so far as needed, the best brains of each decade.

BIBLIOGRAPHY

The best general surveys of the field of public administration may be found in Woodrow Wilson, "The Study of Administration," *Pol. Sci. Q.*, vol. 2, pp. 197-222 (1887); W. H. Moreland, "The Science of Public Administration," *Quarterly Review,* vol. 235, pp. 413-429 (1921); Frank Merson, "Public Administration: A Science," *Journal of Public Administration,* vol. 1, pp. 220-227 (1923); Herman Finer, "Com-

parative Public Administration," *International Law Association, Report of the Thirtieth Conference,* pp. 507-525, and "The Civil Service in the Modern State," *Am. Pol. Sci. Rev.,* vol. 19, pp. 277-289 (1925); J. M. Gaus, "New Problem of Administration," *Minnesota Law Review,* vol. 8, pp. 217-231 (1923-24); Viscount Haldane, "An Organized Civil Service," *Journal of Public Administration,* vol. 1, pp. 6-16 (1923).

Other useful general references include Henri Fayol, *Administration industrielle et générale* (1920); John M. Matthews, *Principles of American State Administration* (1917); Frank J. Goodnow, *Principles of the Administrative Law of the United States* (1905), and *Comparative Administrative Law* (1893); William H. Beveridge, *Public Service in War and in Peace* (1920); Daniel Bloomfield, ed., *The Modern Executive* (1924); *Rapports du Premier Congrès des Sciences Administratives,* (1910); *Sciences Administratives: Comptes rendus des séances du deuxième congrès international des sciences administratives* (1923); Herman G. James, *Principles of Prussian Administration* (1913); Erwin H. Schell, *Technique of Executive Control* (1924); Oliver Sheldon, *The Philosophy of Management* (1923).

An English view of American conditions may be read in G. H. Stuart Bunning, "The American Civil Service," *Journal of Public Administration,* vol. 1, pp. 35-40 (1923).

An important contribution to the history of American administration is Lloyd M. Short, *The Development of National Administrative Organization in the United States* (1923). For an earlier study see John A. Fairlie, *National Administration of the United States of America* (1905).

CHAPTER TWO

THE EXTERNAL RELATIONSHIPS OF PUBLIC ADMINISTRATION

But while it is essential to representative government that the practical supremacy in the state should reside in the representatives of the people, it is an open question what actual functions, what precise part in the machinery of government, shall be directly and personally discharged by the representative body. . . . There is a radical distinction between controlling the business of government and actually doing it. . . . Numerous representative bodies ought not to administer.

But a popular assembly is still less fitted to administer (than a select board) or to dictate in detail to those who have charge of administration. Even when honestly meant, the interference is almost always injurious. Every branch of public administration is a skilled business, which has its own peculiar principles and traditional rules, many of them not even known, in any effectual way, except to those who have at some time had a hand in carrying on the business, and none of them likely to be duly appreciated by persons not practically acquainted with the department. . . . At its best, it is inexperience sitting in judgment on experience; ignorance on knowledge.

The proper duty of a representative assembly in regard to matters of administration is not to decide them by its own vote, but to take care that the persons who have to decide them shall be the proper persons. Even this they cannot advantageously do by nominating the individuals.

John Stuart Mill, *Representative Government.*

Government is a never-ending process of conference, decision, and execution, each playing directly into the other as cause and effect. Traditionally it has been supposed that it was the prime business of a legislature to confer with a view to reaching decisions, which, when expressed in legal form, were turned over to the executive and judicial branches for execution. But closer acquaintance with the real business of administration quickly reveals that within this branch of government alone there is plenty of conference, consultation, reaching of decisions, sometimes of major importance, as well as execution both by administrative and quasi-judicial processes. An account of the relations of administration to the legislature and the courts will readily

make it clear that there is in fact no clear-cut differentiation in the kind of activity performed.

But significant distinctions can be drawn on other lines. In every government it is essential to have some specialization of function; for the qualities of representativeness which should be characteristic of political authorities are not usually consistent with the qualities of expertness which are essential for the non-political agencies. It is also essential to have some final point of reference where authoritative decisions of private right can be made; but their very quality of finality makes it important to ensure their propriety by surrounding them with procedural and other guarantees which ought not always to control the work of other agencies.

The governmental setting of administration places it midway between the legislature and the courts. From the former it receives its general directions and the necessary funds, while the latter interpose to restrain it from undertaking a program or employing a method which is contrary to constitution or statute. From the point of view of mere numbers, or variety and extent of function, it far exceeds the other branches of government in importance; but its rôle in the logic of our governmental system is distinctly subordinate.

This should not conceal the fact, however, that the business of government in the twentieth century is fundamentally the business of administration. The formulation of policy in its technical phases, which are constantly developing in importance, is becoming the specific task of the administration (rule-making power); and the preliminary determination of rights and obligations (which are conclusive so far as no matter of principle is in question) is falling also within its purview. The administration is becoming an important center of initiative, a final point of reference, as well as an agency of execution.

1. The Legislature and the Administration.

Perhaps the most fundamental relationship is that which the administration bears to the legislative body. Aside from observing general constitutional limitations, constitutional conventions have left the legislatures almost complete freedom in dealing with the execution of their statutes. The legislature in theory is both the source of administrative authority and the center of

ultimate responsibility. It initiates and it also controls, and if one examines the machinery provided for this function, one might readily conclude that little administrative autonomy or self-direction could develop. In fact, however, the contrary is true.

The proper balancing of administrative autonomy with legislative direction and control is one of the most delicate and important problems of governmental efficiency. The history of public administration in the United States reveals an almost continuous record of misunderstanding of the proper rôle of the legislature *vis-à-vis* the administration. The legislature has traditionally insisted upon a control which has been so detailed, so meticulous, and not infrequently so wrong-minded that sound administrative practice could hardly develop. Secretary Redfield's predicament is a case in point.

> "Early in my term as commissioner of public works in Brooklyn under the Low administration, I expressed to Mr. Rives, the corporation counsel, my intention of conducting my office upon a business basis.
> "'Forget it,' said Mr. Rives. 'It can't be done.'
> "This surprising advice from the city's chief law officer brought forth the natural question.
> "'Because of the d . . . statutes,' he said."[1]

Too much insistence cannot be laid on the fact that the legislature is a body unsuited to administer. "The business of Parliament remains to control policy, its business with administration to judge and appraise after the event," writes a recent British author.[2]

The legislature, however, especially under the American form of government, remains the source of most administrative activity. It determines what tasks shall be undertaken and what sums of money devoted to each; it authorizes the appointment of the necessary officials and employees; it receives reports of progress achieved and through an auditor and committee on expenditures assures itself of the propriety of expenditures. To what extent an American state legislature deals with administration through legislation is well brought out by Dodd in an analysis of the product of two Illinois Assemblies.[3]

[1] William C. Redfield, *With Congress and Cabinet*, p. 135.
[2] Ernest H. Davenport, *Parliament and the Taxpayer*, p. 24 (1918).
[3] *State Government*, p. 191.

ILLINOIS GENERAL ASSEMBLY

	1917	1919
State appropriations	63	67
Laws relating to state administrative matters	150	177
Laws relating to local administrative matters	108	171
Laws relating to private rights	17	14
Totals	338	429

Mill himself points out, "Practically, the tendency is strong in representative bodies to interfere more and more in the details of administration—and this is one of the practical dangers to which the futurity of representative governments will be exposed." [1] To admit the justice of this prediction, one has only to observe at a session of a city council the dominance of administrative questions, most of which are of a petty and insignificant nature.

Impeachment is the historic device by which control of the administration was once assured through the people's representatives. As a weapon in the great constitutional struggle for the dominance of Parliament, it played a notable part, but the evolution of British institutions has left it an obsolete relic. It may be doubted whether it ever has been or could be useful as an agency for securing efficiency in public office. Impeachment can be used to correct only the most flagrant cases of official misdoing, and has no place in the day-by-day processes of conducting public business.[2]

In the United States the legislature, almost without exception, undertakes the task of organizing the administrative departments. Although the practice varies a great deal, it not only determines what departments there shall be, which involves perhaps a question of policy, but also frequently decides what bureaus and divisions there shall be. Possessed of the power to create, it also possesses the power to destroy, so far as the facts of

[1] Compare Lord Bryce, observing American institutions. "Nevertheless, so far-reaching is the power of legislation, Congress has encroached, and may encroach still farther, upon the sphere of the executive. It encroaches not merely with a conscious purpose, but because the law of its being has forced it to create in its committees bodies whose expansion necessarily presses on the executive. It encroaches because it is restless, unwearied, always drawn by the progress of events into new fields of labor." *American Commonwealth*, vol. I, p. 286.

[2] This opinion may be verified by study of the impeachments of Governors Sulzer and Ferguson, and by parallel study of the reckless conduct of some other chief executives who were not impeached. There have been only nine federal impeachments since the foundation of the government, and only three convictions.

society permit. It usually dictates whether the department shall be governed by one official or by a board, how the official shall be selected and for what term of office. It may determine how the subordinate personnel shall be selected, and sometimes dictates the methods of operation. The World War disposed Congress to relax its control over administration for the period of conflict, but it has since resumed its traditional rôle. None of the important reorganizations of state and municipal administration have gone far in giving the administration power to fix its own internal structure.[1]

The most pervasive control exercised by the legislature comes in connection with the grant of funds. A long and historic struggle took place in the American colonies to enforce the power of elective assemblies to control the public purse, repeating in general outline an earlier constitutional development in the mother country. The conclusions reached were all in favor of the legislative body. In nearly all the colonies even the bills for the support of the ordinary administration of government were temporary, often indeed for the period of only one year. The representatives claimed the right not only to appropriate money in general terms, but to define narrowly and in detail just how it was to be expended. By forcing colonial governors to accept an annual salary, they went far in subordinating the whole conduct of the executive office to popular demands. In some colonies there was a thinly disguised process of barter by which governors assented to legislation in return for the appropriation of their salary.[2]

In administration as elsewhere, money is the sinews of war. Nothing can be done in public offices without the expenditure of money. So true is this that a well recognized means of abolishing an office is to refuse it an appropriation. Whether a given activity is to be carried on vigorously or feebly depends in large part on its financial support. The amount of freedom vested in the hands of administrative officials usually depends as much on the form of the budget as on the statute creating the office. The greater the degree of segregation, the less dis-

[1] A pending bill, introduced by Congressman Mapes, authorizes the President, upon recommendation of a Congressional Committee, to transfer bureaus and to consolidate independent establishments. See H. R. 4770.

[2] Evarts B. Greene, *The Provincial Governor in the English Colonies of North America, passim* (1898).

cretion in the administration; the greater the degree of segregation, the more completely the legislature becomes in fact the active head of the whole administrative system. Not that finance committees intended this result; they developed itemization as a means of control which has overgrown until it saps the legitimate duties of administration.[1]

Legislatures universally attempt to examine expenditures in order to decide upon their propriety, as well as the efficiency of government and the need for further expenditures. In Congress this has for many years been done by the committees on expenditures. Most state legislatures and city councils depend on the finance committees for this purpose. The work is ordinarily done superficially and unsystematically. In theory the comptroller or auditor is an agent of the legislature, and where the function is thus specialized it is usually well done, although on a narrow scale.

The power of investigation is widely used by legislative bodies. In the early history of bank regulation, Massachusetts relied exclusively on *ad hoc* investigations to secure compliance with the law, an adventure in administration which came to an ignoble end in 1837. It may almost be said that no session of Congress or the state legislatures passes without setting up special committees to investigate special subjects of administrative activity, and very commonly in the last decade to investigate administrative methods. Sometimes these committees are equipped with a special staff and present able reports; more often they are given such scanty funds as to permit only a superficial study by the committee itself or by its secretary, who is likely to be a political appointee. Nevertheless as a means for keeping informed, as a warning to unpopular bureau chiefs, or as a basis for legislation, the investigating committee plays an assiduous and sometimes important rôle.[2]

The legislature controls the personnel of the administration

[1] A detailed description of Congressional control over administration through appropriations is given in "The Need for a National Budget," Taft Commission on Economy and Efficiency, 62nd Congress, 2nd session, House Document 854, pp. 59-112 (1912). For an admirable discussion of the proper rôle of the legislature *vis-à-vis* the administration, read S. Gale Lowrie, "The Proper Function of the State Budget," *Annals*, vol. 62, pp. 47-63 (1915).

[2] *See* "Bibliography of Congressional Inquiries into the Conduct of the Business of Executive Departments," in House Doc. 854, 62nd Congress, 2nd session, pp. 477-85 (1912).

to a slight extent by means of its power of confirming appointments to the higher positions. Ordinarily, this authority is allowed to slumber, or is used for political rather than for public purposes. One recalls the refusal of the Senate to confirm George Rublee, nominated by President Wilson to the Federal Trade Commission, because he was said to be "personally obnoxious" to the senior Senator from New Hampshire, and the more recent and even more remarkable incident of the refusal to confirm the appointment of Charles B. Warren to the office of Attorney General of the United States. In the state governments, there is seldom any difficulty except when the governor and senate are of different parties, and even then trouble is by no means inevitable.

Finally, the legislature acts as a source of criticism of the administration. This is perhaps the most effective part of its work, particularly in foreign governments. The question hour in the British Parliament remains as the most vivid and realistic section of its day. The powerful parliamentary commissions in the French Chamber of Deputies maintained their integrity even during the war.[1] The debates on the floor of the American House and Senate, the discussions of the committee room, the informal intercourse between Congressman and official are extremely important in understanding the real contacts of legislature and administration. A constituent fails to receive his military pension, a candidate for the military academy has difficulties with his physical examination, a business man desires an introduction to the government purchasing agent, a traveler needs an exemption to secure his passport, a local politician wants to consult with the second assistant postmaster general, a contractor hopes for favorable action on his bid; all appeal to the Congressman who must constantly consult with the departments, asking favors, making criticisms, offering suggestions. On a local scale one need remain in a city hall only a short time to observe busy aldermen weaving in and out of the various offices on their constituents' business—and their own.[2]

The legislature therefore has many contacts with the adminis-

[1] Lindsay Rogers, "Parliamentary Commissions in France," *Political Science Quarterly*, vol. 38, pp. 413-42, and 602-35 (1923).

[2] An admirably realistic account of Congressional criticism may be read in Secretary Redfield's book, *With Congress and Cabinet*, chapter two: Congress—the Lower Level.

tration. It establishes the departments and their subdivisions, it provides the essential funds and thereby may undertake to direct minutely the internal organization of each department, it examines the expenditure of money at the close of each fiscal year, it investigates whenever and whatever seem to it proper, and it may exert a limited influence on the choice of persons in high positions. In fact its relation to administration is comprehensive and persistent, although usually unsystematic and frequently uninformed.[1]

Great progress has been made, however, in the commission manager cities in redefining the respective functions of commission and executive. The charter of Dayton may be taken as a well considered statement of a sound relationship. The commission of five members is constituted the governing body with power to pass ordinances and appoint a "chief administrative officer," the city manager. He is declared to be "the administrative head of the municipal government," responsible for the efficient administration of all departments. The charter stipulates that he shall be appointed without regard to his political beliefs or local residence, and that he holds office at the will of the commission. The duties of the manager are (a) to see that the laws and ordinances are enforced, (b) to appoint and remove all directors of departments and subordinate officers and employees, (c) to exercise control over all departments and divisions, (d) to attend all meetings of the commission with the right to participate in discussion but without a vote, (e) to recommend measures to the commission, (f) to prepare a budget.

The city manager's code of ethics, adopted May 25, 1924, contains several statements indicating the relation of executive to council. The code thus declares:

> Loyalty to his employment recognizes that it is the council, the elected representatives of the people, who primarily determine the municipal policies, and are entitled to credit for their fulfillment.
>
> Although he is a hired employee of the council, he is hired for a purpose—to exercise his own judgment as an executive in accomplishing the policies formulated by the council, and to attain success in his employment he must decline to submit to dictation in matters for which the responsibility is solely his.

[1] *See* Grover Cleveland, *The Independence of the Executive.*

A city manager should deal frankly with the council as a unit and not secretly with its individual members. . . .

No city manager should take an active part in politics.[1]

These principles are noteworthy declarations of sound administrative policy which sharply differentiate the city manager from the political state or municipal executive.[2]

No attempt will be made here to inquire how well the legislature is organized to fulfill the functions which it assumes, as the whole matter is taken up again in the chapters devoted to the control of the administration. It is appropriate, however, to call attention briefly to another phase of the relationship between the representative body and the civil service.

The administration is not only an agency for executing the decisions of the legislature, and in this capacity subject to its control; it is also an agency for assisting the latter body to reach its decisions. Elaborate mechanisms growing out of the right of petition and the right to compel attendance of witnesses have been developed by legislatures to secure the facts on which to frame remedial legislation. These mechanisms include the standing committee, the special investigating committee, the assistance of counsel, the services of professional organizations such as efficiency engineers, and of reform organizations such as the National Budget Association or the National Monetary Commission. They include also the services of the administration.

"The civil service furnishes the expert knowledge without which parliaments cannot, in any adequate fashion, create and enact policies. Experience shows conclusively that to perform this function the members of the representative assemblies have neither the time, the ability, the inclination, nor the machinery. They must come to the permanent office holders for expert knowledge."

These services are naturally of great importance. Public

[1] The International City Managers' Association, *The City Manager Plan of City Government*, March 10, 1925, p. 7.

[2] Another phase of the problem is suggested by a conspicuously successful British administrator. "It is very difficult to find suitable words for this particular problem of trying to persuade the increasingly democratic feeling of the country—the local authorities on the one hand and Parliament on the other—to be willing to continue to use a properly effective civil service. . . . There is inevitably a jealousy in the real young growing democracy of a wielding of power—an appearance of intending to exert power—in the civil service." Sir Robert Morant, "Duties and Responsibilities of the Civil Service towards the Public," in *The Civil Servant and His Profession*, pp. 7-19, at p. 14 (1920).

officials who come in daily contact with actual conditions as law is applied to life quickly learn those points at which the law is weak, or its enforcement of doubtful value. They are more aware of the effective limits of governmental action, and more wise concerning the expedients to which the law must address itself. It is small wonder, therefore, that the influence of the administration has been at times very great in the formulation of legislative policy. The insurance laws of Massachusetts are substantially the product of a line of able insurance commissioners, who taught the committees of the General Court what sound insurance policy dictated. For some years during a critical period of Massachusetts history Charles Francis Adams was the mentor of the General Court in its railroad policy; and even now his masterly reports as railroad commissioner may be read with profit. The influence of the administration upon the legislator today is ubiquitous; hardly a report from a public office fails to urge some improvement in legislation, or in administrative method governed by legislation.

From another point of view it should be recognized that the emerging executive leadership of law-making in the United States rests heavily upon the administration. The point is emphasized by recalling the operation of cabinet government, notably in Great Britain; the dominance of the cabinet both in policy and in administration is made possible because the great resources of the permanent civil service are loyally put at the disposal of whatever group of statesmen happen to be in power. Executive leadership in the United States will likewise measure its success to an important degree by the extent to which it protects and encourages the permanent administration, from which presidents and governors and mayors must draw the fund of practical experience necessary to the fruition of their programs.

Reference must be made also to a topic which will be given more detailed discussion later, the activity of the administration in supplementing legislation by the issuance of rules and regulations. The practice is more highly developed in Europe where the executive power usually rests upon monarchical traditions, and where the so-called ordinance power is readily accepted by national legislatures as a normal method of dealing with the details of legislation. Here the contrary is true; but the rule-making power is nevertheless gradually extending. Relief of the

legislature, rule making by experts rather than laymen, the more effective utilization of the parties at interest, the greater flexibility of the rule over the law, all seem to indicate that administrative rule making is likely to develop in the future in spite of important objections which must be reckoned with. Already it has become one of the essential phases of administration in many rapidly developing fields.[1]

The points of contact between the legislature and the administration are therefore numerous and important. They are colored by a certain jealousy on the part of representative assemblies, and by a certain contempt on the part of the technicians. The latter are supposed to heave a sigh of relief when the interference and meddling of the "politicians" cease temporarily with final adjournment; the former return from the arena of the campaign eager to fulfill promises of reduced taxation, the elimination of superfluous employees, and the more expeditious transaction of public business. Neither party feels quite assured of the purposes of the other, but each must inevitably deal with the other in the structure of modern government.

Since the days of Andrew Jackson the American people have been taught to fear the growth of bureaucracy and have sought by the popular election of public officials and by strengthening the hand of their representatives to safeguard themselves against its evils. The very existence of a growing army of officials, controlling in the first instance the application of law to the individual case, cooperating also in the formulation of policy, and developing within its own ranks a high sense of its corporate immortality, its infallibility of judgment, and its substantial power of resistance, has seemed to many Americans to present a problem of control of the first magnitude. Hence the importance of the relations of the administration to the legislature. But although the relationship be one fundamentally of control and responsibility, it is nevertheless important to remember that the administration cooperates indispensably with the legislature, and that without its assistance, the task of legislation would become much less informed and much less effective.[2]

[1] This subject is developed in chapter 18.

[2] For the inter-relations of Parliament and Cabinet in Great Britain, read A. Lawrence Lowell, *Government of England*, ch. 17-18; Ernest H. Davenport, *Parliament and the Taxpayer* (1918); and Great Britain, Select Committee on National Expenditure, 1917-18.

2. The Courts and the Administration.

(*a*). *The courts as administrators.*

The judicial branch of the government plays an important part in administration, primarily as a means of control in favor of individual rights, but secondarily as a direct agency of administration. The futility of attempting to define administration as that which is performed by the administrative branch of government is obvious if the part taken by the courts in administration, or by the administration in the work of the courts or of the legislature is clearly understood.

The bulk of local rural administration remained in the hands of the county courts of Great Britain from time immemorial until 1888. The American colonists established similar methods of local government along the Atlantic seaboard, especially in the South; and even today the county courts of the Southern states have important administrative duties.

"In Kentucky, Tennessee, and Arkansas the quarterly court of the justices of the peace still constitutes the fiscal and general administrative authority of the county." [1] A recent report on the government of Kentucky develops this general statement, and indicates a great diversity in actual practice. In one county the county judge spent his time about equally between administrative work and court duties, in another most of his time on judicial duties, and in a third there was almost no court work. The Fiscal Court, comprising from three to eight justices of the peace, forms the county board in all but eight of the one hundred and twenty counties of the state. It is the chief tax-raising and appropriating body of the county, appoints the county treasurer and other officials, allows claims against the county, supervises poor relief and the construction of highways.

The courts in the northern and western states are on the whole not regarded as administrative bodies; but many important duties are nevertheless imposed upon them. Thus in Illinois the judge of the County Court of Cook County, in which the city of Chicago is located, has direct control of the election machinery through an appointive board of election commissioners. The position of county judge is contested by the political parties chiefly on account of its control of the election machinery.

[1] John A. Fairlie, *Local Government in Counties, Towns, and Villages*, p. 81 (1906).

By a peculiar provision of the Illinois constitution (section 9, article 10) the number of deputies and assistants in the offices of clerks of all courts of record, treasurer, sheriff, coroner, and recorder of deeds in Cook County are fixed by rule of the circuit court. There is an immense amount of routine work connected with these offices. What waste and extravagance may occur in the performance of that work under a system of elective judges is graphically portrayed in the publications of the Chicago Bureau of Public Efficiency. Obstinate delay in introducing modern methods, preference for longhand copying over typewriting, excessive numbers of employees, political interference, all appear in the charges of incompetence.[1] Nor were the courts quick to mend their ways.

The probate of estates is everywhere vested in the courts. For the most part this work is administrative in character. The disposition of petitions in bankruptcy frequently throws upon the courts extremely difficult problems of administration. The court for the time being assumes control of the property and of course must take the necessary steps to maintain it unimpaired. When a federal district court is required to take over an interstate railroad pending a settlement of its affairs, the magnitude of the task is clear. The court of course appoints qualified representatives in such a case as this; but it must assume the responsibility.

Important issues arise in connection with these incidental administrative duties imposed upon the courts, especially as they deal with complicated questions of business procedure. Are the courts, especially the elective state judges, competent for a task which requires less a legal mind than sound business judgment? Is the procedure of the court adapted to the efficient conduct of this type of work? What effect does the confusion of administrative and judicial responsibility have upon the court itself? What degree of control is established? These problems can only be stated at this point, with no attempt to suggest an answer.

[1] Chicago Bureau of Public Efficiency, *The Judges and the County Fee Offices* (1911); *Administration of the Office of Clerk of the Circuit Court and of the Office of Clerk of the Superior Court in Cook County, Illinois* (1911); *Administration of the Office of the Clerk of the County Court of Cook County, Illinois* (1912); *Administration of the Office of Recorder of Cook County, Illinois* (1911); *Administration of the Office of Coroner of Cook County, Illinois* (1911).

(*b*). *The administrators as courts.*

It is equally true that the administration takes over, at least in the first instance, work which closely resembles that of the courts. Its quasi-judicial functions are already important, and may easily become more so. Illustrations may be taken from all levels of government.

In the United States, the land office has long had important judicial functions. In order to protect itself against fraud, an elaborate procedure has been developed in connection with the disposition of the public lands.[1] Applications for entry are initiated before the local register and receiver, but final action is taken by the commissioner of the general land office. "Upon the clerks in the divisions of the land office the vast burden of the original adjudication of cases falls." In order to secure uniformity of decisions, the law board reviews the decisions after they are prepared, whether *ex parte* or controverted cases, before presentation to the commissioner. The secretary of the interior is the supreme court of land appeals, and since 1913 has had the assistance of a board of appeals.[2]

"The land department (of the department of the interior) of the United States is a quasi-judicial tribunal, invested with authority to hear and determine claims to the public lands subject to its disposition, and its decisions of the issues presented at such hearings are impervious to collateral attack, and presumptively right." [3] While a matter is pending before the department, prior to the issue of a patent, the courts cannot interfere by injunction, mandamus, or other process to prevent the secretary of the interior from arriving at his judgment.

The procedure of the post office department in issuing fraud orders is a notable illustration of the judicial work of public officials, paralleled by the powers of the department of labor in governing the admission of aliens. The Postmaster General is authorized to refuse delivery of mail intended for fraudulent purposes. (*Postal Laws and Regulations,* Section 476.) Post office inspectors make the preliminary investigation of cases of alleged fraud, and report the facts to an assistant attorney gen-

[1] Charles R. Pierce, "The Land Department as an Administrative Tribunal," *Am. Pol. Sci. Rev.*, vol. 10, pp. 271-89 (1916).

[2] Edward C. Finney, "The Board of Appeals, Department of the Interior," *Am. Pol. Sci. Rev.*, vol. 10, pp. 290-95 (1916).

[3] *James vs. Germania Iron Company*, 107 Fed. Rep. 597 (1901).

eral. The evidence is reviewed in his office, and if it appears proper, written charges are prepared and forwarded to the respondent, with notice of hearing and opportunity to submit written evidence. The assistant attorney general then hears the evidence on both sides for the first time, and prepares a memorandum for the Postmaster General, giving the evidence and his conclusions. Final action is taken by the Postmaster General.[1] No appeal from a fraud order to the courts is allowed. "If the ordinary daily transactions of the departments which involve an interference with private rights were required to be submitted to the courts before action was finally taken, the result would entail practically a suspension of some of the most important functions of government." [2]

The famous Ju Toy case illustrates the same point.[3] Ju Toy, a person of Chinese parentage, alleged to the immigration officials at San Francisco that he had been born in the United States, was therefore a citizen, and not subject to detention upon his return from a visit to China. Immigration officials found that he was not born in the United States and issued an order for deportation. An appeal was taken to the then Secretary of Commerce and Labor, who affirmed this finding and order. Proceedings were then instituted before the courts and eventually reached the Supreme Court of the United States, which held the decision of the Secretary as to the fact of citizenship to be conclusive. A strong minority opinion was read by Justices Brewer and Peckham, and Justice Day also dissented.

A different phase of the judicial work of the administration is found in the hearings before the Chicago civil service commission in disciplinary cases involving city employees. No officer or employee in the classified service can be removed except for cause, upon written charges, and after a hearing before the commission. This hearing gradually took on more and more the form of a judicial trial, until finally it made such demands upon the time of the commission that they were obliged to simplify the rules in favor of more expeditious action. Even today, however, the proceedings resemble those of a court. Counsel is allowed, stenographic reports are always taken, witnesses are examined and cross-examined, and a record is kept.

[1] *Report of Postmaster General*, 1913, pp. 64-65.
[2] *Public Clearing House vs. Coyne*, 194 U. S. 497 (1904).
[3] *United States vs. Ju Toy*, 198 U. S. 253 (1905).

The commission enters an order in each case, which is conclusive unless reversed by the courts.

These illustrations will suffice to make it clear that the administration, in the fulfillment of its task, often is required to act as a court. This phase of its work gives rise to problems, the discussion of which must be postponed to a later chapter.[1] Of these, one of the most obvious concerns the character of the hearing which is accorded by the official. Is it calculated to get at the facts of the case? What are the safeguards against inadequate evidence, partiality, and incompetence? To what extent is there a right of review? What is the ultimate effect of this judicial work upon the efficiency of the administration?

Just as the administration acts as a fact-finding agency for the legislature, so it is performing the same function for the higher courts, as demonstrated by the Federal Trade Commission, successor to the Bureau of Corporations. The difficulties of dealing with the trusts and of handling with reasonable expedition the complicated questions involved induced Congress to make the Trade Commission the agent of the Supreme Court. Whenever a final decree has been entered against a corporation, the Trade Commission is authorized to investigate the manner in which the decree is being carried out.[2] In any suit in equity, the court may refer to the Trade Commission, as a master in chancery, to report an appropriate form of decree.[3] In addition the independent investigations of the Commission, resulting in an order to cease and desist unlawful practices, may be read into the record of the Court in dealing with the cases.

(*c*). *The courts as agencies of review.*

The most pervasive influence of the courts upon administration develops from their power to review its decisions. This review is based principally upon the long-standing constitutional provisions forbidding governments to deprive persons of life, liberty, or property without due process of law, and guaranteeing equal protection of the laws. Judicial review has for its general purpose to compare administrative acts with the law authorizing them, in order to protect individuals against unauthorized

[1] See chapter 20.
[2] Federal Trade Commission Act, 38 Stat. at L. 717, sec. 6(c).
[3] *Ibid.*, sec. 7.

acts by a public official. The two most common grounds for judicial control are faulty procedure and excess of power on the part of the officer.

Many types of cases may come before the court, of which the following list includes the most common.

(1) The case in which an official wilfully refuses to act.
   (*a*) Where he has no discretion.
   (*b*) Where he will not employ his discretion.
(2) The case in which an official has acted without authority of law.
(3) The case in which an official has acted without observing the necessary procedure, especially as to notice and hearing.
(4) The case in which an official has acted with improper motives.
(5) The case in which an official is about to act without authority or without observing the necessary procedure.
(6) The case in which a person purporting to be an official was never legally entitled to hold office.
(7) The case in which an officer has acted illegally, but on an order fair on its face from a superior officer.
(8) The case in which an officer is alleged to have acted on a mistaken or incomplete understanding of the facts.

In these cases a variety of well-known rules are applied by the courts, which form in part the subject matter of administrative law, and to which brief attention is given in a later chapter. At this point it is sufficient to note that in many cases individual liability is imposed upon the erring public official, which may be enforced at times by the criminal courts, at times by the civil courts. This liability, however, is by no means sufficient to meet all the circumstances, and the courts therefore use the writs of mandamus, injunction, certiorari, habeas corpus and quo warranto in their dealings with the administration.

Cutting across these methods of control is the direct review of official action by the courts, as found in many cases of which the Interstate Commerce Commission, the Federal Trade Commission, or state utility commissions may serve as illustrations. No order of these commissions affecting property rights is final; by one means or another recourse may be had to the highest courts for conclusive adjudication.

The purpose of judicial review of the acts of public officials is to protect private right by preventing illegal or improper action, not to supervise administration in order to secure greater efficiency. The ultimate effects of judicial review are far-reaching. In the first place, it serves to delimit the field of administrative action, and to define methods. In the second place, it defines and frequently curtails administrative discretion. In doing these things it secures the supremacy of the law, and safeguards the position of the citizen.

The two rival agencies in government are law and administration. Administration achieves public security by preventive measures. It selects a hierarchy of officials to each of whom definite work is assigned, and it is governed by ends rather than rules. It is personal. Hence, it is often arbitrary and is subject to the abuses incident to personal as contrasted with impersonal or law-regulated action. But well exercised, it is extremely efficient; always more efficient than the rival agency can be. Law, on the other hand, operates by redress or punishment rather than by prevention. It formulates general rules of action and visits infractions of these rules with penalties. It does not supervise action. It leaves individuals free to act, but imposes pains on those who do not act in accordance with the rules prescribed. It is impersonal, and safeguards against ignorance, caprice, or corruption of magistrates. But it is not quick enough or automatic enough to meet the requirements of a complex social organization.[1]

To continental students the power of the courts to "interfere" with administration, as exemplified either in Great Britain or the United States, seems not only a violation of the principle of separation of powers, but also an intolerable clog on administrative efficiency. They recognize the need for a review in favor of individual right, but provide for it within the structure of the administration itself. Thus the system of administrative courts in France is attached to the Minister of the Interior, not the Minister of Justice. Concerning the relative merits of the continental and the Anglo-Saxon systems there is much difference of opinion.[2]

[1] Roscoe Pound, "Inherent and Acquired Difficulties in the Administration of Punitive Justice," *Proceedings of the American Political Science Association*, vol. 4, pp. 222-39 (1907).

[2] *See* for the classical criticism of the French *droit administratif*, Albert V. Dicey, *Introduction to the Study of the Law of the Constitution*, especially the earlier editions; and for an able rejoinder, Léon Duguit, "The French Administrative Courts," *Pol. Sci. Quarterly*, vol. 29, pp. 385-407 (1914); and Edmund M. Parker, "State and Official Liability," *Harvard Law Review*, vol. 19, pp. 335-49 (1905-06).

3. Political Parties and the Administration.

Partisan domination of many branches of administration in the United States has been so much the established order that it requires a certain effort of the imagination to realize that any other situation can permanently exist. The preferred relationship of parties and public officers is to be found elsewhere than in the United States and to other systems we turn for a moment in order to set up a contrast with the pathological condition which still weakens American democracy.

The relation of party to public officials is seldom established by law. In Great Britain the admirable existing arrangements rest on a wise restraint which partisans impose upon themselves when for the time being they become the government. There is nothing in the statutes of the British Parliament which prevents appointments for party reasons, nor which prohibits civil servants from contributing time and money to the campaign expenses of the great parties. There are Orders in Council, to be sure, which impose certain limits, but these are at the mercy of the leading politicians who comprise the government. The freedom of England from the spoils system rests fundamentally upon a gentlemen's agreement among the English politicians, that they will not expect themselves, and will not tolerate from others, party services from the permanent civil service. So completely is this understanding applied as a part of the "rules of the game" that when a cabinet retires in favor of the opposition, not more than seventy or eighty positions receive new incumbents. In return for this immunity, the civil service accords each government a scrupulous fidelity, never allowing its political predilections to interfere with its duty to give freely of its best efforts on behalf of whatever policies may be proposed. So thoroughly has this relationship been established, and so much a part of the unwritten constitution has it become, that when the Labour Party assumed control for the first time in 1924, bringing into power a new and relatively undisciplined social group, eager to fortify itself by every available means, the civil service was substantially left to go its own way. But the number of converts to the new party in the rank and file of the public service raised some embarrassing situations. No one of the British parties believes that it needs to appoint hordes of officials in order to ensure the loyal execution of its pro-

gram. All of them are convinced that to displace a large number in order to make room for others would serve merely to weaken the state.

Germany has gone through a period of fundamental reconsideration of her political and administrative institutions. It is of great interest and significance that her attachment to a professional administration, free from undue control by the political parties, remains as determined under the Republic as under the Empire. Owing perhaps to the absence of party organizations while the official relation was becoming established, it is decidedly the continental tradition to free the official from the thralldom of party.

After nearly fifty years of the merit system in the federal service, the President of the United States still appoints, subject to confirmation by the Senate, to something over 12,000 positions, and in only ten states out of forty-eight is there any restriction on the use of public office for party purpose. The plain fact is that the good Jacksonian doctrine, "To the victors belong the spoils," still dominates a substantial section of the public administration of the United States. This means that when appointments are made the political organization is consulted by the appointing authority, or, not uncommonly, prepares its list of applicants and presents them to the governor or mayor with the expectation that they will be "taken care of." These candidates are selected because they are useful to the party and must be rewarded, or because they threaten trouble to the party and must be placated, or because they have promises from the party which must be fulfilled. They may or may not have any competence for the position to which they are assigned.

The spoils system means not only that the party controls the original appointment. Equally it may control the whole official life of the public employee. Especially important is the power of political discipline, by which hundreds or thousands of employees and officials are forced to yield to the importunities of politicians. They seek, in the absence of legal prohibition (and sometimes in spite of it), to secure contributions to the party fund, graduated according to salary, and to demand party work such as making the canvas, working at the polls, and sometimes working at headquarters.

An extreme illustration of the party taking over responsibility which properly was vested in the city council and mayor developed from a recent study of Cincinnati. It appears that the Republican Executive and Advisory Committee was accustomed to hold meetings at which the heads of the city departments appeared, made reports, and received instructions concerning their official duties. Thus the Cincinnati *Times-Star* revealed the director of public safety requesting authority to open a city workhouse, and the county auditor being authorized to continue certain tax readjustments, while sub-committees of the party executive were named to deal with a boys' farm, and to make arrangements for an approaching state convention of the "Grand Old Party."[1]

The effect on the efficiency of the administration is usually disastrous. Men and women, incompetent and far in excess of the number needed, flood the public offices. They have little interest in their official duties, and no incentive to perfect themselves in their occupations. They are difficult to control and the discipline of the whole staff suffers. Work is behindhand and poorly performed. Public confidence in the administration is destroyed. The opportunity for carving out a career in the public service is destroyed. It becomes impossible for a professional point of view to take root. In short, sound administration, efficiency of even a rudimentary sort, falls before the ungoverned greed of the party for positions.

It is a disputed question whether or not the American party as at present constituted could exist without the power which it derives from office and the fruits of office. Certainly there is much evidence to indicate that a substantial transformation of the methods of party organization is a necessary precedent, or concomitant of a non-partisan administration.[2] Here is a fundamental problem of statecraft, transcending the field of administration and reaching deep into the roots of American democracy. Whether or not the American people will develop enough interest in the efficient and honorable conduct of public offices to insist on the moderation of partisan activity remains to be revealed. There is enough criticism of the party system,

[1] The administration of Cincinnati is described by L. D. Upson, *The Government of Cincinnati and Hamilton County* (1924).

[2] *See* Charles E. Merriam, *The American Party System* (1922); Andrew C. McLaughlin, *The Courts, the Constitution and Parties* (1912).

although directed chiefly along other lines, to make the question a real one.

The existing attitude of parties toward administration is the product of a long evolution, and of a variety of cooperating influences. The keen desire for self-government, and the extreme development of the "self-governmental" type of administration,[1] the reverse of which is the dislike for a bureaucracy, is of first importance. The abundant resources of the government, unparalleled in any other country, have made efficiency seem almost superfluous. The disintegrated character of our whole governmental system is also of much importance. Goodnow points out that the separation of powers, the division of government into state and federal branches, and the popular election of many important officials created a governmental system in which harmony and cooperation became extremely difficult. Inasmuch as there was a dangerous lack of unity in the governmental system, weakening the government in its attempts to deal with pressing problems of industry and commerce, it became imperative for an extra-governmental agency to supply a single program and to control the officials necessary to put it into effect.[2] Without a doubt also the concentration of the ablest minds on affairs of business, finance, and law has weakened the government's power of resistance to the insistent pressure brought by short-sighted politicians in favor of the spoils régime.

American parties have never thought out a wise relationship to administration. Their party platforms usually reflect an irreproachable attitude, but the same party that declares for a rigid enforcement or extension of the merit system proceeds to discover secretaries of state who seek openings for "deserving Democrats" or attorney generals who prefer the recommendations of a party committee to the advice of the civil service commission. Courageous and cooperating leadership in the two major parties would readily discover the doctrine which other countries have long applied: that the most patriotic party statesmanship is that which refuses to weaken the administration for temporary party advantage; which insists, on the contrary, upon a strong and loyal administration to execute the program for

[1] Frank J. Goodnow, *Comparative Administrative Law*, vol. II, p. 9 (1893).

[2] Frank J. Goodnow, *Politics and Administration* (1900).

which the party stands and for which presumably it has been selected by the voters to assume the responsibility of governing; and which appeals for popular support not on account of the number and variety of individual rewards which can be distributed to its henchmen, but on account of the program of political and social amelioration which it presents.

It will be granted that this ideal seems a long way over the political horizon. At present it must be admitted that the chief handicap from which sound administrative technique suffers is the influence of organized political parties, national, state, and local. But this judgment must be coupled with the further statement that steady and significant progress is being made toward sounder conditions.[1] Many cities are making admirable records of non-partisan, efficient government with little political interference; so in some states, of which Massachusetts may perhaps be cited as a notable illustration.

4. Public Administration and Private Organizations.

American administrative systems have not succeeded in capitalizing in any significant manner the large amount of potential unsalaried service which might be rendered by trained and conscientious citizens. Our public service has been monopolized, outside the professional and technical branches, by (1) permanent paid employees, (2) political appointees, (3) elective administrative officials, chiefly politicians in the making. Disinterested public service, while certainly not unknown, has been negligible, compared with the amount which English and German local governments have been able to develop. The borough council and committee furnish the occasion for lay participation in English administration; the various "deputations" perform a similar function in Germany. In Berlin over 4,500 voluntary workers were drawn into the service of the poor-relief department alone.[2]

Perhaps it is due to the gap between public administration and private effort that more than in any other part of the world private organizations flourish in the United States. Many of them are interested in programs which bring them into cooperative relationships with government. The relations thus

[1] For the relationship of the administration to the public, *see post*, ch. 19.
[2] William B. Munro, *Government of European Cities*, p. 207 (1909).

engendered are the source of certain not inconsiderable difficulties, as well as of notable assistance to the public authorities.

Some of these organizations are devoted primarily to the task of improvement of administrative methods. Such are the bureaus of municipal research and other research agencies already referred to, the leagues of municipalities, voters' leagues and city clubs, the National Civil Service Reform League, and the American Public Health Association.

Other organizations are interested chiefly in the promotion of a program of social betterment, and deal with the public authorities chiefly in connection with their specialty. The number of these is legion, but they are especially important in health, educational, and charitable enterprises.

Two or three brief illustrations will indicate some specific cases. For a number of years the Illinois Tuberculosis Association worked hand in hand with the tuberculosis division of the department of public health. The president of the association was chief of the division, and the disposition of the two funds was so managed as in effect to pool them. The appropriation to the state division was held at a small figure, because the appropriations committee recognized the substantial aid coming from the private agency.[1]

For many years the Illinois Immigrant Aid Society, supported by private funds, attempted to assist in the Americanization of immigrants. In 1919 the state established an immigrants' commission which took over the work and a large part of the staff of the society. In 1923 the General Assembly discontinued the appropriation, and the task was taken up again through private assistance.

The Cleveland Association for Criminal Justice, founded in 1923, struck vigorously at the lax enforcement of the criminal law in Cleveland, and by cooperation with the courts and prosecuting attorneys, and by wide publicity, secured notable improvements.[2] The Chicago Crime Commission has a similar purpose.

The New York State Charities Aid Association organized a far-reaching campaign of publicity in 1915 to protect the state department of health, which had been organized by the Democratic party, against hostile attack from the Republican As-

[1] *See Report of the Directors* (Illinois), 1919, p. 318.
[2] *See Quarterly Bulletin of the Association.*

sembly. The methods, extent of the campaign, and its success are a notable illustration of the usefulness of volunteer effort.[1]

What are the respective obligations of public and private activity in connection with a given subject of social improvement, say public welfare? Opinions vary all the way from those who believe that private associations should withdraw as rapidly as possible, leaving the whole responsibility to the state, to those who believe that creative and constructive work can never be done by public authorities, but must always be the special function of unofficial agencies.[2]

"The root of the discussion," writes a competent observer, "lies in the fact that social progress is initiated and proceeds from a minority, and becomes permanent and secure in respect to any particular function or service when it is understood, appreciated and assumed by the majority acting through democratic organization. . . . The fundamental and highest service of the private agency is to create an attitude or social habit by reason of which a new service which it has initiated and demonstrated may become so well understood and appreciated and desired that the people will take it over as a public function."[3]

In many cases and for long periods of time, however, public and private effort must cooperate in dealing with specific social situations, such as destitution or disease. In such cases, the technique of cooperation between the two requires careful thought and constant attention in order to avoid friction and to preserve the advantages of each type. These advantages and disadvantages are stated by the same author.

"Voluntary agencies are superior to the public authorities generally in the following respects; in initiative and experiment, in establishing standards through intensive work, in administrative efficiency, and in the variety and talent which they can enlist in personal service and social organization. They are as definitely limited and handicapped in several fundamental respects. Their funds are limited. . . . Their source of income is fickle and precarious, or in the case of foundations, arbitrary and autocratic. . . . The voluntary agency may limit its beneficiaries. . . . This fact alone is sufficient to fix its place as preliminary or supplementary to the public agency in respect to all those services which come to be regarded as necessary by the public authority."

[1] Edward A. Moree, "Public Health and Politics," *Annals*, vol. 64, pp. 134-145 (1916).

[2] *See* C. J. Cannon, "Philanthropic Doubts," *Atlantic Monthly*, vol. 128, pp. 289-300 (1921); Julia H. and Hilton H. Railey, "Social Certainties," *Survey*, vol. 48, pp. 429-35 (1922); *Annals*, vol. 105, esp. pp. 42-92 (1923).

[3] Joseph C. Logan, "The Cooperation of Public and Private Welfare Agencies," *Annals*, vol. 105, pp. 88-92 (1923).

The most puzzling problem in cases where joint effort is extended over a single field is to allot definite responsibilities to the private agency, with regard to which it is in effect substantially free to make its own way. It is extremely difficult either to make a division of the work, or to keep each party away from the territory of the other. One is almost sure to be more aggressive and more effective than the other and to observe with growing impatience the shortcomings of its neighbor.

Certain it is that voluntary effort has been and remains a powerful aid in the realization of social programs. What has been accomplished in this way in the improvement of schools[1] is paralleled only by the achievements of far-seeing reformers in penology, child welfare, and public health, upon whose enthusiasm, energy, and disinterested effort the advancing edge of civilization in America largely depends.

A few words may be added concerning the specific contributions of voluntary effort to the improvement of some phases of public administration. Of these the first was in favor of the merit system, a movement which began to achieve results in 1883. The twentieth century witnessed a great stirring of interest in the general problem of efficiency, toward which the first important contribution was the idea of the budget. Private effort almost exclusively forced the budget upon public authorities, although it must be said that the point of resistance to this reform was not found in the administration but in the legislature. Reorganization of the structure of administration was urged by voluntary groups long before it was taken up by the public authorities, and here it is true that the greatest resistance was offered by the administration itself. The classification and standardization movement had its advocates both within and without government circles. Better methods of labor administration are largely due to the unremitting efforts of the American Association for Labor Legislation. These illustrations, which might be extended, indicate that progress in public administration in the United States, at least, is to be ascribed in large measure to the ingenuity and persistence of the private agency.[2]

[1] *See* Howard W. Nudd, "Organized Citizen Effort in Behalf of Public Education," *Annals*, vol. 105, pp. 58-63 (1923).

[2] In this respect we remain a standing puzzle to European observers, who cannot visualize the rôle played by such agencies as the unofficial bureau of municipal research or the efficiency engineer employed to introduce new methods and organization.

The administration therefore has important obligations and connections without its own hierarchy. It exists to effectuate the programs approved by the electorate and formulated as law by the representative assembly. Its task is therefore given it from an independent source, to which is also entrusted the duty of safeguarding its execution. The practical limits of its activity are governed by the supply of funds, over which it has no control whatever. It must answer to the courts for the propriety of its methods, under conditions which at times seem to inhibit its most efficient action. It is subject to the influence of political parties and politicians who on the whole do little to make sound administration possible. It must maintain cooperative relationships with a host of privately organized and endowed agencies, which not infrequently look upon the public authorities as slow and indifferent, if not remiss in their duties. And aside from all this, the administration is subjected to the play of public opinion in ways which with equal importance affect its work. These many influences deserve careful analysis and description by the student of public administration.

CHAPTER THREE

THE ADMINISTRATIVE MACHINE

Do you ask just what government departments are? I reply that they are in details unlike, but in general they are great business establishments running factories, buying goods, distributing products, employing workmen of many kinds, engaged in building, navigating, travelling, research, publication, farming, instruction and in almost every kind of productive activity.

William C. Redfield, *With Congress and Cabinet.*

Whatever validity may attach to the principles which we have ventured to suggest, their practical efficacy will depend upon the zeal and discretion with which they are applied from day to day by Parliament, by Ministers, and by the officers of Departments, the living forces whose spirit is essential to any form of government that is more than a machine.

Machinery of Government Committee.

Referring to the British ministry, the remarkable report of the Haldane Committee observed, "There are important features in which the organization falls short of a standard which is becoming progressively recognized as the foundation of efficient action." This observation is important not because it indicated shortcomings in the British machinery of government, but rather because it pointed to the existence of a standard of good organization and a recognition of the importance of sound structure in the achievement of efficiency. The many explorations of American committees on economy and efficiency in the last two decades have brought to light abundant evidence of administrative senility induced in part by weak organization; but in neither country has a systematic statement of the basis of sound policy in this respect been worked out. In this and following chapters attention will be turned to some phases of the general problem, including particularly the tendencies defined as centralization and integration, and the internal organization and control of large administrative units.

1. The Proper Authority to Determine Structure.

In the United States there is greater diversity of practice than in European countries concerning the proper authority to

dictate the form of the administrative machine. There the matter is left to the initiative of the cabinet, followed by an implied parliamentary ratification in voting funds for new departments or divisions. Here the issue is determined chiefly by our legislative bodies, although constitutional conventions may participate in the state governments, and all along the line the chief executive and the department heads have subsidiary powers. In so far as a wide sphere of action is conferred upon the electorate, through the initiative and referendum, it is at least conceivable that the voters might concern themselves directly with problems of administrative organization; and to a limited degree they have done so.

Constitutional conventions usually deal with the matter provisionally and only in the broadest terms, leaving legislative bodies nearly complete freedom to proceed later at their discretion. To this general statement, however, there are some outstanding exceptions. The plural executive in the state governments, composed of five or more independently elected administrative officials, has been imposed universally by constitutional conventions, and has proved a serious hindrance to recent efforts to introduce a more efficient system. The failure to vest in the chief executive adequate powers of appointment, removal, and supervision, thus preventing the growth of a unified administrative system, is due chiefly to the decisions of constitutional conventions. The crystallization of far too much detail of administration in the constitution, where it cannot be readily altered, is likewise to be laid at their door. To the convention also, of course, must be ascribed the dominant ideals of the relations of the administration to the legislature and to the courts, and especially the traditional reluctance to admit the responsibility of the state for abuses of administrative discretion.

In general, however, the conventions have recognized that it was hazardous for them to plunge into the details of administrative structure or methods. After careful consideration of various plans of reorganization, the Massachusetts convention of 1917-1918 proposed to the people merely that "the executive and administrative work of the commonwealth shall be organized in not more than twenty departments."

The careful work of the New York convention of 1915 pushed

farther into the question by proposing a specific form of organization. Although the plan of the convention was admirable in many respects, and undoubtedly was an immense improvement on the existing situation, it may be questioned whether the constitution was the proper place for it.[1] It is significant to note that the numerous conventions of the last decade have done little more than the Massachusetts body, although the issue was in the forefront during the whole period.

The main responsibility for defining administrative organization is vested in the legislature, in the federal government by construction of the delegation of power to Congress, in the states by the general rule of the residual power of the state legislature. For municipal government, the state legislature acts (1) by providing a state-wide system of local government, or (2) by instituting an optional charter system. In the Home Rule states, the initiating authority is the charter commission, which in turn may leave much or little latitude to the city authorities.

The legislative bodies have been active in exploiting this opportunity. The creation of new departments, bureaus, institutions, and offices has gone on merrily and until the war with unchecked rapidity, as one interest after another has appealed for funds and for officials to spend the funds. The legislature has taken the occasion as well to fix the type of organization, the character of its leadership, its relation, or lack of relation, to other elements of the administrative machine, and usually the internal structure, sometimes as far as fixing the exact number of clerks, technicians and employees, by title and salary. The degree to which details are dealt with of course varies enormously, both from jurisdiction to jurisdiction, and from time to time.[2] Even in the same statute there may be variety of treatment, depending in part upon the personal equation and local circumstances, and in part upon the extent to which a given function has been standardized.[3]

In the exercise of its discretion, the legislature has necessarily

[1] The New York amendment of 1925 enumerates twenty departments and directs the legislature to assign all civil, administrative, and executive functions of the state government to these departments. No new departments may be created.

[2] In studying this question, one must bear in mind that the appropriation acts are of equal importance with the statute organizing the department.

[3] *See* for a good illustration, session laws of Massachusetts, 1919, ch. 350.

left many details to the executive and administrative officers. The general rule still prevails, however, that the President may not order the formation of a new department, or a new bureau.[1] The same rule applies to governors and mayors, although the farther down the administrative level one proceeds, the less rigidly is doctrine adhered to. Instances are not unknown in which new offices and institutions have been established without any specific legislative authorization, and which have later received tacit approval in the form of an appropriation. The Institute for Juvenile Research, in Illinois, had this origin. In periods of stress, the executive is granted more liberty in this direction.

The legislature may, however, specifically vest in the chief executive or administrative officials the authority to establish the necessary subdivisions of the various departments. Thus the Massachusetts "administrative code," after creating twenty departments, and naming five divisions of the department of agriculture, authorized the commissioner of agriculture to create other divisions and assign them their functions, and appoint, subject to the civil service law, such inspectors and other officers as the work of the department may require.[2] In the department of labor and industries, the commissioner has full discretion concerning the necessary divisions.[3] Not infrequently the consent of the governor is required for the alteration of the internal structure of departments.

The constitutional convention is obviously not fitted to undertake this task. It meets only at infrequent intervals, it properly deals only with the fundamentals of statecraft, and its conclusions are intended to stand for years without substantial change. The essential element of flexibility is denied to administrative organization and methods when fixed in the constitution. On the other hand, as was argued in the recent Massachusetts convention, the legislature may need the moral support of the convention to push through a reorganization against the opposition of the departments. "I do not see," said Mr. Underhill, "how any member of the General Court of the last few years, knowing how much friendship enters into the consideration of abolition or consolidation of commissions, would not be glad to be relieved

[1] Frank J. Goodnow, *Administrative Law of the United States*, p. 122.
[2] *Laws*, 1919, ch. 350, sec. 37.
[3] *Ibid.*, sec. 71.

of the embarrassment which must come to him in the choice between friendship and efficiency." [1]

It must be admitted that the legislature, in the discharge of its responsibilities, has not merited confidence in its ability. Congress and state assemblies alike have allowed a strange tangle of authorities to grow up, without plan or principle, lacking coordination and confusing responsibility. If our legislative bodies are to be judged by the product of their activity for the past half century, they are properly to be condemned. Not only have their motives been wrong at times,[2] but they have exhibited no foresight and little understanding of the results of their work, they have not themselves developed the leadership to rescue administrative organization from the morass into which they directed it, and they have in fact been reluctant to respond to outside leadership.[3]

Adequate legislative control can be secured without insisting on this right to fix the structure of the public offices. Efficiency in government would be forwarded by allowing chief executives more latitude in molding the administrative machine to meet conditions of which they are much more cognizant than legislators. Congress admitted this in the stress of the war by the enactment of the so-called Overman Act, but only after giving homage to a plan of reorganization initiated by a prominent senator. The internal organization of each department should be determined by executive order on the recommendation of the department concerned and after report by some agency such as the United States Bureau of the Budget. The allocation of personnel and assignment of work should be the duty of the department concerned. The salary scales and individual payments should be based on a reasoned classification, the general principles of which may be fixed by legislation, but the application of which should be in the hands of a competent administrative agency.

[1] *Massachusetts Convention Debates*, vol. 3, pp. 1032, 1051, 1063 (1917-1918). "As a practical matter it simply is impossible to get through the legislature any real consolidation and coordination of our state departments. . . . I understand when it has been tackled, practically all the boards and commissions come up here in self-defense to prevent tampering with their respective boards and commissions." Mr. Dutch.

[2] *See* J. Lincoln Steffens, *The Shame of the Cities* (1904); *The Struggle for Self-Government* (1906).

[3] The fight for reorganization in Illinois, Nebraska, and Pennsylvania illustrates the point.

Objections to this solution will be made chiefly on the ground of vesting too much power in the hands of the chief executive. This is a debatable issue, viewpoints on which vary much according to recent experience with specific governors. Especially is it feared, and rightly enough in some cases, that the authority will be used to build up an impregnable political machine. It may be urged also that such a plan would lead to constant tinkering and changes, the result of which would be the opposite of efficiency. These objections are entitled to consideration, and in particular cases may be of sufficient importance to delay the evolution of what is here asserted to be a sound element of administrative technique. We conclude that the organization of the administration is primarily the task of the chief administrative officials, under conditions which will guarantee proper consideration of each proposal.[1]

2. Forms of Administrative Organization.

Examination of the administrative structure of the United States government, of the states or large municipalities, will reveal almost every conceivable type of organization, exhibiting the outcome of the combined ingenuity of generations of law makers who have proceeded with little attention to principle.

Classification becomes therefore a difficult task, but the more necessary if standards are to be set up for purposes of analysis and comparison. A classification may be of value either to observe the status of a given system, or to enable trends and processes to be disengaged. The following classifications are of value chiefly for the latter purpose. It is relatively easy to observe whether or not a given system is becoming more centralized, or integrated, or bureaucratic, but always difficult to assert that it has reached any of the goals indicated. Centralization as a status is necessarily a relative term.

One of the early distinctions stated by American authors is that between the self-governmental and the bureaucratic types. In the former, as many administrative officials as possible are

[1] *See* on this point, F. F. Blachly, "Who should organize State Administration." *Southwestern Political Science Review*, vol. 4, pp. 95-109 (1923-24); Frank J. Goodnow, *Administrative Law of the United States*, pp. 122-28; John M. Mathews, *Principles of American State Administration*, ch. 1, 19 (1917); James M. Leake, "The Conflict over Coordination," *American Political Science Review*, vol. 12, pp. 365-80 (1918); W. F. Willoughby, *An Introduction to the Study of the Government of Modern States*, ch. 16 (1919).

elected for short terms of years, and without the expectation of reelection. By this means the people govern themselves. "I cannot but believe," declared Andrew Jackson in his first presidential message, "that more is lost by the long continuance of men in office than is generally to be gained by their experience." As a part of American democratic theory rather than as a reasoned plan of administration, this doctrine has been widely accepted in the United States. The contrary type is that in which officials owe their position to appointment by a superior officer who claims their direct responsibility, in which they hold their office for good behavior, and are given adequate guarantees to ensure permanence and a career. In the former type there is no hierarchy, in the latter the pyramiding of responsibility is one of the characteristic features. In the former each elective official owes his allegiance to the law and is responsible to the electorate; in the latter, each official except the highest owes allegiance to his superior, and owes nothing to the electorate. American systems of administration have tended to be self-governmental; continental systems bureaucratic.[1]

A series of well written dissertations presented at Columbia University a generation ago divided systems of administration into the centralized and decentralized and brought into clear relief another basis of classification. This classification technically rests upon the type of relationship existing between central and local administrations. If the central administration, for example the governor and state department heads, have close control over the activity of local administrative agencies, which act in many cases on behalf of the state, the system is called centralized; if the contrary, decentralized.

This distinction may readily be put in more general terms. Any extensive administrative organization will have three constituent parts: a central office, field agencies, and a connecting mechanism. The latter may be merely a systematized scheme of reports, or may in itself require a well organized office. The central office may develop its own field agencies, or it may impose upon some already existing governmental unit the tasks which it must carry out, reserving for itself a certain degree of supervision. In the former case, the administration is almost

[1] Alexandre Lefas, *L'Etat et les Fonctionnaires*, p. 95 (1913); "Permanence, hierarchy, profession; such are the characteristics which distinguish the official from the political figure."

certain to be centralized; in the latter case there may be found the greatest possible range between extreme decentralization and extreme centralization. In any case the relationship which is referred to as centralized will be thought of in this volume as one between the central office or headquarters, and the field agency. Centralization or its reverse therefore exists as between different levels of administration; it is a "vertical" relationship.

The need for a clear understanding of this point is emphasized by the ambiguity with which the term is used. The many reports and articles on state reorganization teem with the word centralization, when as a matter of fact the process now going on is for the most part not centralization at all, but what is here called integration.

The distinction is well stated by Willoughby. He writes,

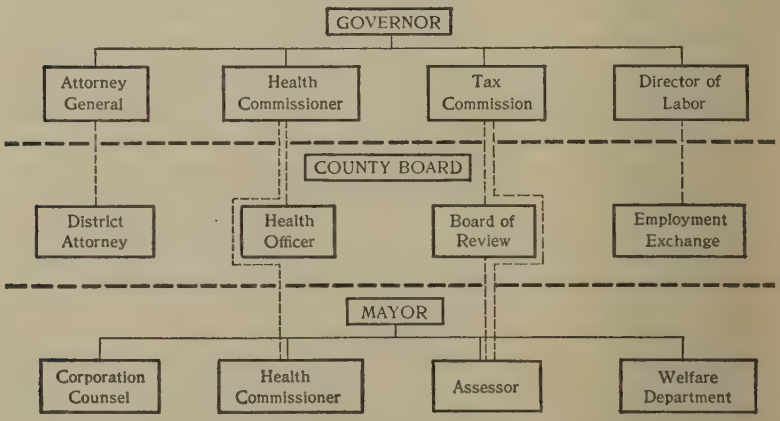
> Examination of the manner in which the administrative branches of our governments, national and state, have been organized reveals that they have been based on two distinct principles, with the result that two distinct types of organization have resulted. These two types of organization may, for want of better terms, be designated as the independent, or uncorrelated, and integrated, or departmental. The independent system is that system where each service is treated as an independent unit having little or no direct relation to other services. Under it the line of authority runs direct from the operating service to the chief executive or to the legislature by which it was created and is currently directed and controlled. The integrated system is that system where the attempt has been made to group all services whose operations fall in the same general field, and which consequently should maintain intimate working relations with each other, into departments presided over by officers having a general oversight of them all and entrusted with the duty of seeing that they work harmoniously towards the attainment of a common end. Under this system the line of authority runs from the several services to the departments of which they are subordinate units and from these to the chief executive or to the legislature whose jurisdiction extends over all the departments.[1]

Integration has to do with the inter-relations of the various offices on the same level of government, as county, or state, or national; it has nothing to do with the relationships between these levels. An administrative system in which there is unity, coordination, singleness of direction and responsibility is one

[1] W. F. Willoughby, *The Reorganization of the Administrative Branch of the National Government*, p. 6 (1923).

which is integrated; and this unity is achieved in fact by the sufficient subordination of the multitude of offices to that of the chief executive and his staff. The United States, in spite of a growing tendency toward independent commissions and agencies, has substantially an integrated system of administration; the states have long been outstanding illustrations of disintegration, although there has been a marked tendency toward the national model in the last ten years; the counties now probably represent the extreme of the disintegrated type, while the city manager cities represent the extreme integrated form.

It may be noted that the movement toward centralization commenced in the states before the Civil War, but has made most progress in both state and nation in a continuous evolution since the Civil War; integration on the other hand is a movement of the last decade and a half. Both tendencies are now in full sway in the state governments. In general, continental systems of administration tend to be integrated; that of France is highly centralized, but tending toward decentralization (regionalism); that of England relatively decentralized, but tending somewhat toward centralization. The administrative system of federal states tends necessarily to be decentralized; it may however be highly integrated.



The skeleton diagram may help to fix the distinction in mind. The solid connecting lines indicate an assumed control of chief executive over his department heads in *state* and *municipal*

governments, which are therefore of the integrated type; no such situation exists in the disintegrated county administration. The dotted lines indicate an assumed control over the administrative officials of another political unit; the use of a dotted line implies that the control is less effective than in the preceding case, and in some cases it will be noted that there is no control. This diagram is not intended to represent accurately any particular state government, but rather to clarify the distinction between integration and centralization. In both cases the relationship of superior-subordinate is established, but in one case the subordinate originates in, and is also responsible to a political unit different from that of his superior. A different administrative problem is created.

Moreland draws a distinction between what he calls concentrated and diffused administration. The former is conducted in its entirety in one office or place; the latter in scattered places, requiring the three agencies already mentioned: central office, field office, and connecting mechanism. He concludes that public administration is usually diffuse, while business administration tends to be concentrated. French writers use the term concentration in a somewhat different sense.

A further distinction may be drawn depending on the type of administrative head, single or plural. No administration will depend exclusively on either, of course; but as between Illinois and Wisconsin, there is a distinct difference in type, the latter preferring the commission to the director or commissioner.[1]

3. The Allocation of Responsibility and Authority.

Efficient government depends in a very fundamental manner upon the proper allocation of responsibility and power within the administrative machine. The principle to be observed here is simple enough; to define responsibility so precisely that each official will be specifically charged with definite duties, under such conditions that success or failure will depend upon his own diligence and wisdom, or the contrary. The necessary corollary of this principle deals with the allocation of authority; the object again should be to vest in each official adequate authority, both

[1] The student will profit greatly at this point by reading, for purpose of contrast and comparison, an illuminating article by Montague H. Cox, "Office Organization of the London County Council," *Journal of Public Administration*, vol. 3, pp. 134-50 (1925).

legal and financial, to enable him to discharge efficiently the duties pertaining to his office. The application of these principles is full of difficulty.

A preliminary distinction must be drawn between agencies which have to perform primarily duties of a quasi-judicial character, such as the utilities commission, and those whose duties are primarily administrative in the narrower sense of the word, such as the post office department or a department of public works and buildings. With regard to the former it is the general practice to assign them a larger degree of autonomy. The responsible officials are given long terms of office, their removal is made exceptional, their duties are vested in them by law and not by executive action, they are effectively removed from the area of the executive departments, and are described as in the special category of "independent establishments." The chief executive is not held responsible except in highly unusual cases of dereliction for their acts or decisions and has in fact little opportunity to influence them.[1] There is no demand that executive influence in these quarters be extended.

The handicaps to sharp definition of responsibility which American administration has developed are numerous and important. Of these, the preference for elective officials in state and local governments is of first importance. Every elective officer is *ipso facto* independent of hierarchical supervision; he comes directly from the people; he cannot be removed; he need concern himself only with the day of reelection, pending which he can run his office, within the law, as suits himself. Thus we see the curious spectacle of an attorney general suing a governor on behalf of the state for restitution of funds. County sheriffs are notoriously independent of county boards, which are sufficiently lacking in well-ordered responsibility themselves.

The use of boards for administrative work is likely to confuse responsibility. Especially is this true of ex-officio boards and bi-partisan boards. President Roosevelt had an early experience confirming this view. In his Autobiography, he wrote, "The government of the police department (of New York) was so devised as to render it most difficult to accomplish anything good,

[1] President Coolidge is reported in favor of abolishing the United States Shipping Board in order to reestablish executive control over the Emergency Fleet Corporation. On the whole point consult an admirable study by Robert M. Dawson, *The Principle of Official Independence* (1922).

while the field for intrigue and conspiracy was limitless. There were four commissioners, two supposed to belong to one party and two to the other, although, as a matter of fact, they never divided on party lines. . . . It was made easy for the commissioners to come to a deadlock among themselves, and if this danger was avoided, it was easy for one commissioner by intriguing with the chief, to bring the other three to a standstill." [1] The political power of subordinates occasionally enables them to defy the head of the office, and to neglect their duties for other interests.

The legislature is many times at fault by reason of the bad allocation of functions, authorizing three or four different officials to deal with some one subject. The efficiency reports are full of such cases, one of the most humorous being Secretary Redfield's story of the three Alaskan bears, each protected by a different department according to the color of its fur.[2] Secretary Hoover gives a more systematic account in the following table.

TABLE

FUNCTION	NUMBER OF AGENCIES OR BUREAUS	NUMBER OF DEPARTMENTS OR INDEPENDENT AGENCIES IN WHICH THEY ARE LOCATED
Public works construction	14	9
Conservation of natural resources	8	5
Direct aids to industry	5	2
Direct aids to merchant marine	14	6
Direct aids to education	6	3
Direct aids to veterans	4	4
Government of territories and dependencies	4	3
Public health	4	2
Purchase of supplies	In every bureau of the government	

Wherever two or more officials are required by law to deal with a given subject, each has a complete alibi for failure to secure results.

In many cases in spite of all care in allotting work, there will be points of friction between different departments. Responsibility is therefore likely to be confused unless proper machinery of coordination is devised.

Overdevelopment and underdevelopment of departments not

[1] *Theodore Roosevelt—An Autobiography*, p. 171 (1920).
[2] William C. Redfield, *With Congress and Cabinet*, p. 69 (1924).

infrequently obscures a line of demarcation which may at first have been carefully drawn. What happens is that an aggressive department head or even bureau chief takes on related activities which in turn lead to other activities, a process which may be checked only at those points where determined resistance is met. A weak bureau, directed by a timid or an indifferent administrator, one day finds that its work is being duplicated elsewhere, and then, deciding that discretion is the better part of valor, concludes to make the best of the situation. Years later, perhaps, the duplication is discovered by an efficiency commission.

Much confusion has developed in recent years in connection with the effort to realize the potential responsibility of the state governor for state administration. In order to make his authority real, Illinois established an office for fiscal supervision known as the department of finance, directly responsible to the governor. The service departments failed to understand that the finance department was the staff agency of the governor and resented what they called its interference with their responsibility for the conduct of their departments. Similar difficulties have been encountered by the federal Bureau of the Budget.

A final difficulty in the exact location of responsibility is found in the occasional attempt of an advisory board to seize upon the actual conduct of administration. This of course reverses the proper relationship. The proper association of advisory commissions with the responsible officials is not easy to arrange.

European observers note a curious laxness in the public relations of our departments. The head of the department is the only person who can speak to the press or public on behalf of an English or continental ministry, but in the United States subordinate officials are not infrequently in direct relations with the press and are publicly quoted by them. Within a week the head of the prohibition unit and the secretary of the treasury were quoted by the newspapers on opposite sides of important matters of policy concerning the enforcement of the eighteenth amendment. The state department has necessarily to observe a greater reticence, but in the other federal agencies, and in the state and municipal governments, responsibility for the public relations of the department seems to be within anybody's province.

Fortunately all of the conditions suggested in the preceding

paragraphs as means of obscuring responsibility do not conspire together at one time and place, and it is by no means intended to imply that the advisory boards regularly or even frequently overstep the bounds of comity. But it remains true that for many reasons the clear definition of responsibility is commonly not attained, and that as a result confusion and loss of power ensue.

Adequate authority must coexist with definite responsibility. This means in the first instance adequate legal power to proceed in the premises; primarily well-drafted legislation, and also, in many cases, written orders from an administrative superior. In the second place, it means sufficient financial resources to cope with the existing situation as the law intended. Not infrequently American legislation lays down administrative obligations far beyond the capacity of available funds.

4. The Professional and the Amateur Administrator.

Every branch and department of administration is acquainted in varying proportions with both the amateur and the professional official. The professional makes the public service his life career, the amateur accepts a temporary position, for which he may be highly fitted, or the contrary. Each type has its place, although the rôle played by each will vary according to the general character of the system (bureaucratic or self-governmental). In general it may be said that in the United States efficiency has suffered from the undue extension of the influence of the amateur into the field of the expert.[1]

Modern conditions of administration make an unlimited demand on the technician. The physician, psychiatrist, bacteriologist, chemist, engineer, accountant, and the professional administrator are everywhere at work for the government. The transformation of the last century, as science has come to play a constantly larger part in government, is one of the most remarkable in the history of governments, and so far as can be foretold, the contribution of the expert will be greater and greater in the succeeding decades. To operate the administrative machine alone will require the best brains of each generation.

The amateur, however, may continue to look forward to ample

[1] The "amateur" may of course have important professional interests. Many of them are professionally interested in public affairs. Many are lawyers, some are doctors, professors, engineers, accountants, and business men.

opportunity for the utilization of his special contribution. In local administration particularly he will find a congenial and useful area for the employment of his interest and talent. Moreover, at the heads of the great departments (except in municipal governments) we shall probably continue to find amateurs for the most part, and for reasons which have much validity.

What may we expect the duties of the amateur to be in the constantly more highly specialized administration of the future? As the titular head of the important departments of state and federal government, he will have certain essential functions which probably the amateur can fulfill more satisfactorily than the professional. The amateur secretary of commerce, for example, will be expected to maintain the relations of the department with the world outside, and particularly with the legislature, with that part of the public whose interests are affected by its work, and with the press. To do this well requires a combination of personal qualities rarely met with, and perhaps not developed so readily by long immersion in the routine of department work as by the wider contacts of the social, political, and business world.[1] Especially is this true in dealing with the legislature. Modern budget practice concentrates most of the committee work on the head of the department; belonging to the ruling party, and a member of the official family of the chief executive as well as usually a prominent politician, widely acquainted in the legislature, he can speak more effectively than a permanent official whose contacts outside the department are relatively few.

Within the department the function of the amateur is not to administer, but to "see" that administration is effective. He must insist on competence, discipline, and the introduction of the most approved methods. He must act as an arbitrator in jurisdictional disputes, both within and between departments. He must assure himself that the efforts of the various bureaus are being directed toward the objects contemplated by law.

The amateur will also contribute, in a highly specialized administration, as a member of an advisory board. By associating him in this capacity, the department seeks to capitalize both his citizen interest and the special talents of highly trained men and

[1] It is on this theory that the British Civil Service has been divided for three quarters of a century into first and second divisions.

women. Their influence in the advisory capacity may be very great, although, as suggested above, their relationship to the responsible officials needs to be clarified.

If the amateur has duties and opportunities roughly similar to these, what shall be said of the duties of the professional? His tasks may be briefly enumerated under the following heads.

1. To perform the work of the department.

2. To supervise the performance of this work.

3. To administer the department, in the sense of operating the personnel system, the assignment of work, the requisition of supplies and the like.

4. To account for the work of the department, by financial and other reports.

5. To advise the head of the department.

6. To provide the technical information needed by the head of the department in defining its policies.

In short, the department must be administered and its work performed by the expert, under the general guidance of the amateur.[1]

The foregoing statement is made with reference to large departments. In small departments or in small jurisdictions, the demarcation between the amateur and the expert need not be made so definitely. The technical department head may readily be the political chief as well. In some departments the political head may also have technical training, although his rôle is that

[1] The English theory of the function of expert and layman is brilliantly stated in A. Lawrence Lowell, *The Government of England*, vol. 1, p. 182; the use of the layman in German municipalities, in W. B. Munro, *The Government of European Cities*, pp. 165-66, 198-208 (1909); for the police consult Elmer D. Graper, *American Police Administration*, pp. 44-53 (1921); *See also* an important article by Sir Francis L. C. Floud, "The Sphere of the Specialist in Public Administration," *Journal of Public Administration*, vol. 1, pp. 117-26 (1923); and Sir R. V. N. Hopkins, "The Expert and the Layman," *Journal of Public Administration*, vol. 3, pp. 10-22 (1925). For the rôle of the expert in France, consult Joseph Barthélemy, *Le Problème de la compétence dans la Démocratie* (1918).

For the status of the expert in American government consult E. A. Fitzpatrick, *Experts in City Government* (1919); F. E. Breithut, "The Engineer in the Public Service," *Municipal Research*, No. 78, 79 (1916), and "Status and Compensation of the Chemist in Public Service," *Journal of Industrial and Engineering Chemistry*, vol. 9, pp. 64-79 (1917); H. W. Wiley, "The Chemist in the Public Service," *ibid*, vol. 9, p. 81; C. Baskerville, "Position of the Chemist in the Commonwealth," *Science*, vol. 32, pp. 649-51 (1910); Herman M. Adler, *Medical Science and Criminal Justice*, in *Criminal Justice in Cleveland* (1922); L. D. White, *The Status of Scientific Research in Illinois*, Bulletin No. 29, National Research Council (1923).

of the intermediary rather than the expert. Thus a health commissioner with fine technical training may conceive his prime obligation to be to maintain a sound relationship between the department and the press or the public.

5. The Principles of Departmentalization.

In a recent address before the thirteenth annual meeting of the Chamber of Commerce of the United States, Secretary Hoover observed:

> When Hamilton laid out the scheme of executive departments he placed the different functions of administration as nearly as might be into groups of the same general major purpose under single headed responsibility. But ever since his time we have been busy dividing responsibility by scattering services directed to substantially the same major purpose over many different executive departments and bureaus. Our governmental machinery has just grown. Whenever a new activity has been authorized or a new bureau created it has been thrown wherever it happened to be most convenient at the moment or wherever its sponsors thought it would have the most friendly treatment, without any thought of a sound basis of organization, and we have shunted along misfit after misfit from one generation to another.

Although the Secretary of Commerce was speaking with the federal government in mind, his remarks apply with equal force to the state governments and until recently to most municipalities. The "principle" which has been observed in creating and organizing departments seems to have been accident or chance.

This has been due to indifference rather than the non-existence of principle. "Upon what principle are the functions of departments to be determined and allocated?" inquired the British Machinery of Government Committee. "There appear to be only two alternatives, which may be briefly described as distribution according to the persons or classes to be dealt with, and distribution according to the services to be performed. The inevitable outcome of the former method of organization is a tendency to Lilliputian administration." [1]

There are in fact two additional bases which are frequently used in distributing work within departments: geographical distribution and distribution according to type of work to be performed or methods of administration. Thus an illustration of

[1] *Report of the Machinery of Government Committee*, cd. 9230, p. 7-8 (1918). *See also Journal of Public Administration*, vol. 2, p. 452 (1924).

the latter would be a stenographic section or a card punch section of a department, in which a single mechanical operation was the characteristic feature. The geographical divisions of the United States Bureau of Mines, or Geological Survey, illustrate the former basis of distribution. Both of these divisions occur, it will be noted, within a primary specialization by function.

There is practically unanimous agreement that the proper basis of departmental organization is by function performed. "As regards what this principle should be," declares Willoughby, "there can be no doubt; it should be that of bringing together under separate departments all those services, and those services only, which have the same general function in respect to the work to be undertaken by them." [1] Thus there may be a department devoted to national defense, another to public health, a third to education, and the like.

The advantages of this system of organization are succinctly stated by the same author.

> It correlates the several operating services of the government into one highly integrated and unified piece of administrative mechanism; it ensures the establishment of an effective system of overhead administration and control; it makes definite the line of administrative authority and responsibility; it lays the basis for, if it does not automatically effect, the elimination of duplication in organization, plant, equipment, personnel, and activities; it makes possible effective cooperative relations between services engaged in the same general field of activity that can be obtained in no other way; it furnishes the means by which overlapping and conflicts of jurisdiction may be avoided or readily adjusted; it facilitates greatly the standardization of all administrative processes and procedure; it permits the centralization of such general business operations as purchasing, . . .; and finally, it furnishes the absolutely essential foundation for a properly organized and administered budgetary system.[2]

The general principle is simple enough but its concrete application is difficult. The enormous variety in grouping which is demonstrated by the recent statutes in the American states gives evidence of the complexity of the problem; even where the barriers of tradition, personal influence, hostility of old departments, and general inertia can be surmounted, there still remain many points at which different opinions are honestly entertained.

[1] *Reorganization of the Administrative Branch of the National Government*, p. 10 (1923).
[2] *Ibid.*, p. 9.

The British report to which attention has already been directed recognized these difficulties and indicated the way to handle them. The committee suggested that all decisions to concentrate functions in particular departments should be governed by the extent to which particular functions conduce to the primary end of that department's administration. The distinction between dominant and subordinate interests in a given piece of work cannot be absolute and irrevocable, because work which is of primary interest to one department may well be undertaken as a secondary interest by departments devoted to other ends.

The point is well illustrated by the allocation of statistical work in the federal government. The most conspicuous single piece of work is carried out by the Census Bureau, and it has been urged by some that the Census Bureau should be made the sole statistical agency of the various departments. A recent comprehensive report of the Bureau of Efficiency came substantially to this conclusion.[1] It recommended, in order to improve the statistical product, to abate the burden upon private establishments in furnishing information, and to secure economy, that the collection, compilation, and dissemination of all non-administrative statistics be concentrated in the Bureau of the Census. So far, however, as a department collected statistics for its own purpose, i.e., "administrative statistics," it should be free to continue to do so. Thus the collection of vital statistics was recommended to be transferred *in toto* to the Public Health Service.

Another principle comes into play in determining the number of departments and divisions, *viz.*, the principle of economy of supervision. It is said that an administrative superior cannot effectively supervise the work of more than seven divisions or units.[2] The existence of anywhere from fifty to two hundred administrative units in the state governments, subject to the theoretical responsibility of the governor "to see that all laws shall be enforced," is a gross violation of this principle. Even the reorganizing statutes neglect to take account of it; the Massachusetts law provides twenty departments besides a miscellaneous lot of offices attached directly to the governor's office. Many

[1] United States Bureau of Efficiency, *Report on the Statistical Work of the United States Government* (1922).
[2] W. H. Moreland, "The Science of Public Administration," *Quarterly Review*, vol. 235, p. 413 (1921).

large departments violate this principle constantly, and diminish thereby the effectiveness of their work. Willoughby makes a strong protest against mere reduction in the number of departments, without paying attention to the inter-relations of the component parts. One may agree with this protest and still urge the formation of the least possible number of well balanced departments, with proper attention to the problem of supervision by creating, if necessary, intermediate levels of responsibility within the department in order to relieve the burden upon the director.

The report of the President's Agricultural Conference brought up a fault in organization which is not uncommon.[1] It pointed out the dual character of activities relating to agriculture, the service functions and the regulatory or law-enforcement functions. "Service activities consist essentially in the accumulation and dissemination of information, and advice and assistance in putting this information into practice. Regulatory functions consist essentially in the interpretation and enforcement of laws and regulations designed to protect the interests of both the producers and the consumers of agricultural products." The Conference stressed the "disastrous effects" of lodging these two types of functions in the same bureau.[2] In the discharge of one set of duties there develops a feeling of antagonism between the department and individual citizens or organizations which is the exact opposite of the spirit needed to carry on the service functions. The Conference recommended that the service function and the regulatory function be separated as completely as possible in organization, personnel, and action.[3]

6. The Machinery of Coordination.

The preceding sections will indicate the importance of adequate arrangements for coordinating the work of the various departments. The difficulties of coordination increase with the number of units to be related; the present tendency toward the reduction in the number of departments simplifies the problem, in part by bringing into juxtaposition the units whose work is

[1] February 2, 1925.

[2] The status of scientific and research agencies illustrates the same point. It is essential to the conduct of research that the scientist be freed from duties of a regulatory character.

[3] For further development of types of organization within departments, and differentiation of staff and line functions, see chapter seven.

most closely related, in part by reducing the independent points of contact. One of the chief complaints made in recent years has been the impossibility of correlating activities with the multitude of units to be reckoned with. Thus the report of the Illinois Efficiency and Economy Commission, "The absence of definite correlation and cooperation between the most closely related offices necessarily leads to loss and inefficient work. The only supervision provided by law over most of the executive offices, boards, and commissions, burdens the governor with a mass of unnecessary detail which no single individual can effectively handle." [1]

A number of devices are at hand to secure proper coordination. Active executive leadership, focused on a small number of properly organized departments, will go far toward handling the problem in the smaller jurisdictions. In the larger systems, the administrative cabinet is of first importance. By this is meant the meeting at regular intervals of the chief executive with the heads of departments for the discussion of matters of administration, not issues of politics. An enlargement of such meetings was recommended to the Mayor of Chicago under the designation of the "Business Organization of the City of Chicago," providing for a quarterly meeting of the mayor with about two hundred of the chief administrative officials.[2] This would become a coordinating agency through its committees.

An important agency which can do much in coordination if it chooses is to be found in such offices as the Illinois director of finance, or the Massachusetts commission on administration and finance. The Illinois statute expressly authorizes the director of finance "to investigate duplication of work of departments and the efficiency of the organization and administration of departments." To date, however, these offices have been chiefly occupied in perfecting their system of financial supervision.

A device which is not common in this country, apart from the federal government, is the inter-departmental committee. Wherever contacts between departments give rise to continuing problems, the obvious way of dealing with them is the formation of a joint committee, with each department equally represented, whose function it should be to explore points of differ-

[1] *Report of the Efficiency and Economy Committee*, p. 19 (1915).
[2] *See* the author's report, *Conditions of Municipal Employment in Chicago*, p. 84 (1925).

ence and find a suitable *modus vivendi,* reporting to the heads of each department concerned.

Not infrequently formal agreements may be entered into by two or more departments by which they jointly carry on a specific enterprise, or by which one undertakes to furnish service for another. Thus the Public Health Service makes physical examinations of immigrants on behalf of the department of labor, and of disabled veterans on behalf of the Veterans' Bureau; likewise at the request of the United States Employees' Compensation Commission, it provides medical and surgical care for injuries received by civilian employees.[1]

Specific agreements are being made in large numbers between federal and state departments in connection with grants-in-aid for road and other projects. An example of such an agreement dealing with extension work in agricultural and home economics is reprinted in Wanlass' study of the department of agriculture.[2] This agreement defines the object and method of procedure of the cooperative enterprise, its organization, assignment of personnel, financial arrangements and terms of publication. A useful study could be made of such agreements.

Before the war effective cooperation in the federal government was hampered by the impossibility of transferring funds from one bureau to another for work performed. A bureau needing to draft maps, for instance, would not be allowed to transfer a part of any available surplus to the Geological Survey to pay for their cost, but would be obliged to secure its own draftsman to be paid directly from its appropriation. This legal barrier to cooperation tended to promote duplication.

A notable demonstration of the results which can be obtained by careful coordination is found in the work of the coordinators attached to the Bureau of the Budget. By legislation of 1910 a General Supply Committee was created to make purchases for the public offices in Washington. By executive order of December 10, 1918, the Committee was made the agent through which the handling and transfer of surplus office material, supplies, and equipment of offices in the District of Columbia should be carried out, a function extended in 1919 to cover the outside services as well. Its work was important, but it could deal only

[1] Laurence F. Schmeckebier, *The Public Health Service* (1923).
[2] William L. Wanlass, *The United States Department of Agriculture,* Appendix II (1920).

with materials reported to it as surplus and lacked means of enforcing its orders.

In order to make coordination more effective, at the suggestion of the Bureau of the Budget the President created by executive order the office of Chief Coordinator, General Supply, and placed under his orders coordinators dealing with specific subjects such as purchasing, the sale and transfer of supplies, and use of motor equipment.

The following excerpts from the terms of the executive order give a clear understanding of the purpose of the new offices.

> The coordinating agencies are for the purpose of enabling the President, in matters of routine business, to so coordinate the activities of the different departments and establishments as will insure the most economical and efficient expenditure of moneys appropriated by Congress. They provide the machinery through which the executive may impose a unified plan of governmental routine business. The Director of the Bureau of the Budget shall have general supervision over the work of the coordinating agencies. The Chief Coordinator, General Supply, shall exercise general supervision over the coordination of the routine business activities of the governmental organization, with particular attention to methods of purchasing, liquidation of supplies, specification of materials, advertising, warehousing, employment, manufacturing, disbursing, and other ordinary business activities of the government.
>
> The decision of the chief coordinator is final subject to appeal to the Director of the Bureau of the Budget and if desired to the President. The heads of departments and subordinate officials retain their responsibility for individual business transactions, subject to policies laid down by the Chief Coordinator.

The policy of the Bureau of the Budget has been from the first to appoint the coordinators from persons already in the employment of the government, and for this purpose army and navy officers have largely been used. While on detail they are subject solely to the direction of the President, acting through the Bureau of the Budget.

Each of the coordinators is chairman of a coordinating committee, the function and status of which are of great interest. The boards comprise one representative of each of the departments and establishments chiefly affected.

> The general principle of organization is the same for all. In each case the board proper formulates the unified policies that serve to guide

the departments concerned. The plans under which these policies are carried into execution are the work of technical sub-committees composed of individuals who draw up plans of like character in their respective departments. . . . By this procedure the plan of each department is made a coordinate part of a federal plan by which the separate agencies are enabled to cooperate while acting independently. . . . The individuals composing those committees remain, as heretofore, the active agents of their respective departments, now placed in a position to plan more intelligently because possessed of a common knowledge of all the facts affecting the federal problem.[1]

The coordinating boards established on the basis of these principles include the Federal Board of Hospitalization, the Federal Purchasing Board, the Federal Liquidation Board, the Federal Traffic Board, the Federal Specifications Board, the Interdepartmental Board of Contracts and Adjustments, the Federal Real Estate Board, the Coordinator for Motor Transport, and the Permanent Conference on Printing. These agencies have resulted in immense savings and have probably become permanent parts of the administrative system.[2]

7. The Tests of Good Administrative Organization.

The preceding pages may suffice to give some notion of the complexity of the administrative machine. In point of fact, the government is the greatest business organization in existence, and while it is not and cannot be operated exclusively on business principles, much of its work is of such a character that business principles are applicable to it.

It is suggested in this chapter that the persons best qualified to establish the administrative divisions are the expert administrators themselves; that the type patterns to which the structure will more or less conform are self-governmental or bureaucratic, centralized or decentralized, integrated or disintegrated, single or plural executives. The assertion is made that efficiency demands an organization in which there is unity of responsibility

[1] Director of the Bureau of the Budget, *Report to the President of the United States*, February 1, 1922, pp. 15-16; *see also* his report dated July 1, 1922, pp. 1-2.

[2] Lack of space forbids development of their work. *See* Reports of Director of the Bureau of the Budget, transmitting reports of Chief Coordinator and Coordinators, 1921 to date; Lieutenant Commander Lucius C. Dunn, "The National Budget System," *United States Institute Proceedings*, vol. 50, p. 948 (1924); and for the problem of military coordination through a General Staff, *Annual Report*, Chief of Staff, 1917, in *War Department Reports*, 1917, vol. 1.

and adequacy of power, and in which the division of work between amateur and professional ascribes to the former the care of the external relations of each department and the general supervision of its internal affairs, to the latter the actual conduct of its work. The organization of departments is thought to be most effectively carried out if the principle of specialization by function is followed as the guiding rule, with special care to separate the service from the regulating duties, and with equal care not to impose impossible burdens on supervisors. In any case definite machinery for coordination needs to be provided, of which the outstanding illustration is found in the office of Chief Coordinator, General Supply.

From the scientific point of view we do not have any adequate tests of administrative organization. No reasonably precise means of measurement exist by which the influence of a given form of official relationship can be determined. The problem of measurement, however, has already attracted the attention of students of government. Discussion of the possibility of measuring the efficiency of a civil service commission was carried on by the successive sessions of the Conference on the Science of Politics, but without any conclusive results.[1] It appeared, however, more feasible to attempt to evaluate a total employment situation than to measure the particular contribution of the civil service commission.

Educators have given much attention to the measurement of their plant efficiency, using methods which vary from the general index to the most highly refined mathematical expression.[2] The mechanical and industrial engineers are also making persistent effort to reach some usable standards, and attracted a deal of publicity in a recent attempt to appraise waste in industry.[3]

[1] *See* Reports of the Conference in *American Political Science Review*, vol. 18, pp. 119-66; vol. 19, pp. 104-62; vol. 20, pp. 124-70.

[2] *cf.* Leonard P. Ayres, *An Index Number for State School Systems* (1920), and *A Measuring Scale for Ability in Spelling* (1915); May A. Burgess, *The Measurement of Silent Reading* (1921); William A. McCall, *How to Measure in Education* (1922); Raymond H. Franzen, *The Accomplishment Ratio* (1922).

[3] Federated American Engineering Societies, *Waste in Industry* (1921). *See also* Joseph W. Roe, "Measurement of Administration," *Mechanical Engineering*, vol. 45, pp. 632-36 (1923); F. J. Schlink, "Measurement of Management," *Management and Administration*, vol. 6, pp. 173-78 (1923); A. E. Buck, "Measuring the Results of Government," *National Municipal Review*, vol. 13, pp. 152-57 (1924); William E. Dunn, "Measuring Executive Ability," *Industrial Management*, vol. 63, p. 292 (1922); James H. Bliss, *Financial and Operating Ratios in Management* (1923); Henry H.

Public health administrators have worked out and are regularly using an appraisal form for city health work.[1] This rating schedule assigns a carefully considered weight to each of a large number of health activities, and requires the appraiser to enter a rating for each of them. The element of personal judgment is obviously not eliminated, but its area is diminished by focusing attention upon a series of small and fairly precise subjects. Thus the reporting of communicable disease is assigned a total value of 20 points; but this is divided into five items of four points each. Definite standards are indicated for the guidance of the appraiser; for example, the ratio of ten cases reported per death from typhoid is given a perfect score of four points. Important practical results have already been achieved by way of stimulating backward communities to improve their health work.

The Wisconsin Conference of Social Work prepared a scoring schedule for use in a better cities contest which, however, left a great deal to the unguided judgment of the appraiser.[2] A more highly developed technique was in evidence in connection with the work of the Colorado League of Municipalities.[3]

The rating of Colorado cities was made by attempting to ascertain the amount and quality of services rendered the citizen in seven major lines of municipal activity and by comparing the cities on the basis of seven important measures of expenditure or cost. Police protection was measured by the number of persons per policeman; fire protection by the fire loss per capita; health protection by infant mortality rates; street improvement by the per cent of pavement to total mileage; library service by the circulation per volume; water supply by the average per capita daily water consumption; and park facilities by the num-

Farquhar, "Measuring the Performance of the Production Department," *Harvard Business Review*, vol. 1, p. 331 (1923); H. L. Gantt, "Measuring Efficiency," *Transactions American Society of Mechanical Engineers*, vol. 36, pp. 417-29 (1914); W. H. Leffingwell, "A Practical Plan for Rating the Efficiency of an Office Organization," *Bulletin of the Taylor Society*, vol. 8, pp. 178-88 (1923), and "The Present State of the Art of Office Management," *ibid.*, vol. 10, pp. 96-104 (1925).

[1] *See* American Public Health Association, *Appraisal Form for City Health Work* (1925); and reports of Committee on Health Department Practice.

[2] Wisconsin Conference on Social Work, *Scoring Schedule for Public Administration in Wisconsin Better Cities Contest* (Mimeographed sheets).

[3] William L. Bracy, *Report on the Survey of General Civic Conditions in Colorado Cities and Towns having a Population of 2,000 or over.* University of Colorado, Bureau of Business and Governmental Research (1925).

ber of persons per acre of park land. The cost of services was measured by per capita operation receipts; per capita operation expenditures; per cent of water works operating expense to operating revenue; per capita general city debt; per capita street lighting costs; cost of elections per vote cast; and the minimum flat rate water charges. The final ranking was arrived at by adding the number of points scored in the cost of service rankings to the points scored in the amount of service rendered. None of the items were weighted.

Consideration of this plan will reveal a number of assumptions which require careful consideration before too great reliance can be placed on results. In general it may be said that it is easier to secure statistical material than to give it a sound interpretation in evaluating the efficiency of city government.

Preliminary steps have thus been taken to work out some standards of measurement in order to be able to evaluate the efficiency of public administration. The subject to be measured is so complex and elusive that it will be many years before the goal has been attained; indeed some declare that no useful standard can ever be worked out. But practically we are constantly making judgments as to the success or failure of our institutions and their methods, and it is certainly in point to attempt to refine those judgments so far as possible. It may be that opinion can never be wholly eliminated, but the area of free play can be greatly diminished. From the scientific point of view, the search for tangible standards is of fundamental importance; and brief experience indicates that it has a practical value as well.[1]

[1] *cf.* Paul T. Beisser, "Unit Costs in Recreational Facilities," *Annals*, vol. 62, pp. 140-47 (1915); William H. Cornell, "The Application of Comparative Unit Costs to the Highway Engineering Business," *Annals*, vol. 113, pp. 128-30 (1924); Henry Bruère, "Development of Standards in Municipal Government," *Annals*, vol. 61, pp. 199-207 (1915).

CHAPTER FOUR

THE FORMS AND LIMITS OF CENTRALIZATION

"There is an inherent tendency toward centralization in every diffused administration."

Moreland.

"A most difficult but not impossible part of the task (of central control) lies yet ahead, the development of a sense of local responsibility which can be trusted with the proper performance of certain functions."

Lutz.

Study of the problems of administrative organization revolves largely around two of the structural types noted in the preceding chapter, the centralized and the integrated forms. The distinction between these types is worth recalling; a centralized administration is defined as one in which there are close relations of control and subordination between officials responsible to different levels of government, as federal-state, or state-local. Integration, on the other hand, deals with the inter-relations of various administrative units on the same level of government. On a chart one tendency develops along a vertical line, the other along a horizontal line.

The study of centralization has been the concern of scholars for many years, but for the most part they have been interested in the political rather than the administrative phases of the subject. It is important to observe the distinction, because the present analysis is to be concerned almost entirely with the administrative problems involved. Political centralization indicates a tendency to unite in one legislative body the sole and exclusive authority for reaching decisions on questions of public policy. In no country is there ever complete political centralization, but its existing extremes may be found in the United States, on the one hand, where may be found "Home Rule" cities, as well as the politically autonomous states, and France, on the other hand, where the policy-forming authority of departments and communes is in constitutional law the creature of Parliament,

and in fact greatly circumscribed by the central government. Programs of municipal Home Rule in the United States, devolution in Great Britain, and regionalism in France are chiefly concerned with political decentralization. With these problems we are not concerned.

The real issue to which we turn is the problem of the centralization or decentralization of administration, or in the terms of the preceding analysis, the problem involved in the relationships between a central administrative office and its field agencies. The confusion of the political and administrative phases of the problem is due to the fact that almost universally central administrative agencies have used the offices of local government (counties, cities, boroughs, communes, Kreise) as their field agencies, and have thus piled administrative problems on top of political issues. So far as possible, may we repeat, the present discussion will deal only with the administrative questions involved.

1. The Trend toward Centralization.

The degree of administrative centralization or decentralization varies as widely as that of the political relationship.[1] The tides in the United States have been advancing now for over a half century in the direction of centralization, at first as between the local governments and the states, then as between the states and the federal government. As colonists the American people developed a degree of decentralization which can hardly be matched elsewhere. The state yielded to the county, the county gave way to the town, and the town bowed to its districts. The difficulties of transportation and communication were such that efficient central control was out of the question. Decentraliza-

[1] As between France and Great Britain, which may serve as types, the difference has been brilliantly recorded by Joseph Redlich and Francis W. Hirst, *Local Government in England*, vol. II, pp. 246-47. Compare also P. W. L. Ashley, *Local and Central Government in England* (1906). The Institute of Public Administration has twice considered aspects of the problem. The papers may be consulted in the *Journal of Public Administration*, vol. 1, pp. 259-310 (1923) and vol. 3, pp. 300-421 (1925).

See also Premier Congrès des Sciences Administratives, Rapports (1911); for the United States, consult the *Columbia University Studies in History, Economics*, and *Public Law* for monographs by Whitten, Fairlie, Sites, Rawles, Bowman and others. The most recent study in the field is by Walter Thompson, *Federal Centralization* (1923). A brief account is found in Arthur N. Holcombe, *State Government*, pp. 287-315 (1916). Every student should read Professor Holcombe's article, "The States as Agents of the Nation," *Southwestern Political Science Quarterly*, vol. 1, pp. 307-27 (1921). A paper of historical interest is "State Supervision for Cities," by John R. Commons, *Annals*, vol. 5, pp. 865-81 (1895).

tion was more efficient than centralization.[1] In general throughout the colonial period most of the rudimentary administration of the time was carried out within the framework of local government.

This situation did not change with the achievement of independence. The movement of population westward tended to perpetuate, under frontier conditions, the reliance on local institutions which had from the beginning characterized the American people. The advent of the Jacksonian theories of popular election of officials, rotation in office, and hostility to a bureaucracy carried dependence on local institutions up to the Civil War, although before 1860 signs were not wanting that the states would be forced to assert themselves.

After the war, the process of centralization within the states, both political and administrative, made rapid progress, and the tendency then clearly developed for the first time has proceeded with undiminished vigor to the present time. The rapidity of the process has naturally varied from state to state, so that at the present time great divergences exist. In general the industrial states tend to be more highly centralized than the agricultural states.[2]

The process of centralization has involved in part the extension of supervision over local authorities, in part the removal of certain subjects of administration entirely or partly from the local community to the state or national authorities. Education, penal institutions, charitable institutions, police, taxation, public utilities, local finance, highway construction, and regulation of the professions are the fields which have felt the impact most completely within the states, but hardly a phase of state or local activity has remained untouched. The result has been to increase enormously the size of the state machine and to impose upon it responsibilities with which it has not always been able to cope successfully.

The effect of the fourteenth and eighteenth amendments was to institute on a national scale a political centralization of the utmost importance. The former caused no changes in administrative relations, but the latter has been already a powerful

[1] Robert H. Whitten, *Public Administration in Massachusetts*, pp. 12-13 (1898).

[2] A lifelong resident of a New England town remarked to the author, "The state runs the town for us now."

agency of administrative centralization. The twentieth century has witnessed a quiet but steady development of national administrative centralization, showing itself notably in the department of agriculture (food inspection, plant and animal control), in the treasury department (taxation of incomes, prohibition enforcement), in the Public Health Service, and in the Interstate Commerce Commission. Since 1913, the process has been greatly accelerated by the rapid development of the policy of federal grants-in-aid to the states.

An excellent illustration of the centralizing tendency of the time is found in the United States Public Health Service.[1] Our health machinery is now built up from three levels, local, state and national, and influence if not power seems to gravitate toward the latter. In some matters the authority of the Public Health Service is legally supreme; thus quarantine against introduction of disease from foreign countries, the medical inspection of immigrants, and health matters concerning interstate commerce fall within the constitutional powers of the federal government. The point here involved is better illustrated by those activities which rest less on legal authority than on cooperation and consent, and which once established tend toward the development of national standards which impose themselves on local and state officials by reason primarily of their superior scientific validity. Thus the technique of reporting the occurrence of disease is made more nearly uniform and gradually improved through the compilations made by the Public Health Service with the collaboration of the state health authorities. The Public Health Service recognizes mortality statistics only when a certain standard has been attained; and thus sets norms and furnishes an incentive (professional recognition) which has an important influence.[2]

In the control of epidemics federal and state authorities cooperate, but frequently the initiative is taken by the federal

[1] Information concerning the work of the Public Health Service can be found in the *Annual Reports*, in the weekly *Public Health Reports*, and in such special reports as W. C. Rucker, "The United States Public Health Service as a Career," *Miscellaneous Publication No. 13* of the Public Health Service (1916); *The United States Public Health Service: Its Evolution and Organization*, *Public Health Reports*, vol. 36, pp. 1165-76 (1921); Laurence F. Schmeckebier, *The Public Health Service* (1923).

[2] *See Report of Division of Vital Statistics* (*Ill.*) for 1918, 1919, 1920. In 1921-22 state boards of health purchased about 1,700,000 educational pamphlets and placards from the Public Health Service; in 1920-21 4,000,000. *Annual Report of Public Health Service*, 1922, pp. 294-95.

health officer irrespective of constitutional powers. From time to time, the Public Health Service surveys the health administration of states or local areas, and makes recommendations. Over a long period of years, these recommendations will tend to establish minimum standards of accomplishment.[1] The Public Health Service also administers the grants of money to the states for the eradication of venereal disease.

The foundation of an international administrative system has already begun to appear. The Postal Union, the mandate system, the numerous administrative agencies connected with the League of Nations and the international labor office, the administration of certain international areas such as the River Danube, may suffice to illustrate the point, without noting the war-time agencies such as the Allied Maritime Transport Council.[2]

Within the United States, therefore, the process of centralization appears to be proceeding all along the line. It becomes important to inquire into the causes of the movement, in order to be able to form some reasoned notion as to the trends of the immediate future. At bottom the economic transformation called the industrial revolution is the chief cause. It changed large sections of the United States from collections of small farming communities, each largely self-sustaining, and in which the family was the unit of economic action, to thickly settled urban areas, each intimately dependent upon all the others, knit together by a maze of commercial, financial, and other interests, and in which the great corporation has become the characteristic feature of economic life. The range of social organization spread far beyond the boundary lines of town, city, or county, and then far across the boundary lines of states; and the range of administration was obliged to expand in like measure.[3]

The growth of science, and the multiplication of its contributions to administration, have also had a large part to play. The technique of administration began to draw more heavily on the

[1] *See* in *Annual Report of Public Health Service*, 1922, p. 39, the *Surveys of North Dakota*, etc. *See also* J. C. Perry, Public Health Administration in Richmond, Indiana, *Supplement No. 26 to Public Health Report*, Oct. 8, 1915.

[2] J. A. Salter, *Allied Shipping Control* (1921); P. B. Potter, *Introduction to the Study of International Organization* (1922).

[3] Note that in the early nineteenth century, it was common to incorporate insurance companies authorized to write policies in only one county. For years during the middle of the century the problem of dealing with the "foreign" insurance company was beyond the capacity of the administrative machinery then in existence.

engineers, the doctors, the accountants, the psychologists and psychiatrists, the chemists and the bacteriologists, until a point has now been reached in which most local areas of administration cannot furnish the requisite talent and do not in fact develop a sufficient appreciation of the importance of the newer ways of doing things. Only in the larger centers is combined the interest in and the capacity to take advantage of the best available methods.

This is the more true since the smaller jurisdictions lack the financial ability to secure the services of the necessary corps of modern technicians, and, moreover, the scope of the local problems is so limited as to give them only an insignificant task. The career of a bridge designing engineer in a Vermont town or a Montana county is obviously cast on different lines from his fellow craftsman employed by the Bureau of Public Roads at Washington. The effective application of the highly specialized knowledge of the modern technician can only take place where there is a steady demand for his services, that is to say, in a large jurisdiction.

The rise of various important associations, interested in the constant improvement of the technique of administration, likewise develops centralization. The American Prison Association is such an agency. For many years it has constantly urged improvement in the custody and care of the inmates of penal institutions. This has led it to advocate *inter alia* the abandonment of county jails and institutions in favor of state institutions. The demand for greater competency and for uniformity in methods has in the past been synonymous with the demand for transfer from local control to state control.

Emerging from the industrial revolution has come a new society, of which the parts, both individuals and groups, are so enmeshed each with the other, that matters which by common consent were formerly of local concern alone have now come to be of concern to the state or even to the nation. The line of separation is constantly changing, and is being shifted from year to year by legislation and by the courts; but the general tendency inherent in the present evolution of society is constantly to diminish the area of those matters of local concern. This is inevitably reflected in the progressive limitation of the independent action of local administration.

From time to time a sharp conflict of interest will arise between locality and state concerning the enforcement of a policy laid down by the latter. The restriction by various means of the sale of liquor has furnished the most striking examples. The state, in order to secure any action whatever in certain communities, has been obliged to centralize the administrative machinery.[1]

Finally, the revolution in the means of transportation and communication has provided the essential condition to make central control effective. Before the middle of the nineteenth century central control of local officials would necessarily have been exercised without adequate knowledge of the local situation. Under these circumstances the advantages of local autonomy were decisive. Modern methods of transportation and communication, by which inspection may be frequent and contacts between all parts of the administrative unit constant and personal, have profoundly changed former conditions and made central control feasible.[2]

2. The Forms of Centralization.

A careful study of English local government summarized under the following heads the forms by means of which the central government supervised counties and boroughs. (1) The grant of government aid upon condition that certain requirements have been fulfilled; (2) the issue of rules, orders, and regulations dealing with affairs locally administered; (3) the approval of acts of local authorities in order to render them valid; (4) the decision of appeals taken from the decisions of local authorities or of disputes in which one party at least is a local authority; (5) the administration of local affairs when local authorities improperly perform or neglect to perform their duties, and the imposition of penalties for maladministration; (6) the holding of inquiries, the preparation of reports and the diffusion of knowledge.[3]

[1] Clement M. L. Sites, "Centralized Administration of Liquor Laws in the American Commonwealths," *Columbia University Studies in History, Economics and Public Law*, vol. 10 (1899); Susan W. Peabody, *Historical Study of Legislation regarding Public Health in the States of New York and Massachusetts* (1909); Samuel E. Sparling, "State Boards of Control with Special Reference to the Experience of Wisconsin," *Annals*, vol. 17, pp. 74-91 (1901).

[2] In this respect compare a small and densely populated state like Massachusetts with a vast but sparsely populated state like Texas. The character of an administrative system is affected in an important manner by its geographical situation.

[3] Milo R. Maltbie, "English Local Government of Today," *Columbia University Studies in History, Economics, and Public Law*, vol. 9, (1897).

In France the control of local affairs is minute and authoritative. It operates chiefly through the department of the interior and its agents, the prefect and the sub-prefect. The whole administrative system of the department and the arrondissement is directed and controlled by these officials, and it is only in the lowest level of local government, the commune, that administrative agencies locally controlled can be found. Even here there is much potential and actual control from above. The budgets of all communes are reviewed by the prefect, or in the case of the large cities by the Minister of the Interior. The mayor may be suspended by the prefect and removed by the President of the Republic. The prefect may intervene to perform any act required by law which the mayor refuses to authorize. The local councils of the city, arrondissement and department are also subject to close supervision.[1] In general, the French system is characteristic of continental methods, although in Prussia a sharper distinction was made between the central and local administrative areas.[2]

In the United States there is great variation of practice, but nowhere the degree of central control that is found on the continent. The American states have tended to develop an elaborate statutory régime, rather than a hierarchical control. Most of the administrative control has been imposed upon local units compulsorily, but in Massachusetts at least there has been an interesting attempt to proceed by permissive statutes. "It has been our policy," writes a Bay State official, "to operate under permissive legislation until it can be thoroughly demonstrated that compulsory legislation is necessary, and I find that almost invariably the citizens as a whole need only to be shown the benefits to be derived from a change in methods, to be ready and willing to join in the work."[3] The annual report of the Commission on Economy and Efficiency for 1915 revealed the same attitude. "It has been suggested that the state forester should be given authority to appoint local forest wardens directly, but in most towns the position of the fire warden would probably be weakened rather than strengthened if he were practically a state official." Historically the most important instance of this policy

[1] F. J. Goodnow, *Comparative Administrative Law*, vol. 1, book III, chapter V; J. Charles Brun, *Le Régionalisme* (1911).

[2] Herman G. James, *Principles of Prussian Administration* (1913); William B. Munro, *The Governments of Europe*, ch. 29 (1925).

[3] T. M. Waddell, in *University of North Carolina Bulletin*, vol. 1, No. 7,

is to be discovered in the State Railroad Commission established in 1869.[1] A study of great interest and importance, revealing the actual operation of these and similar statutes, awaits some enterprising student.

The forms of centralization are so varied as hardly to permit an exhaustive classification, but the following description includes the most common. They proceed roughly from those which prescribe the least to those which impose the greatest degree of central control.

(*1*). *Advice and information.* The central government may content itself with the provision of experts who upon request are prepared to give advice to local authorities to improve their methods. Such a consultant service has already developed very advantageously, as, for example, the state Library Board of Massachusetts in its relation to the town libraries. Or it may establish research centers especially in specific fields of administration and offer its results freely to local governments. Or it may publish manuals or instructions for the guidance of such officials as may care to consult them. In any case the initiative in taking advantage of central aid comes from the local official, who retains complete freedom. Or the local government takes the initiative, as in Massachusetts, but if it invites assistance, it obligates itself to observe the requirements imposed by law.

(*2*). *Requirement of reports.* Local authorities may be left free to perform their respective duties, but are required to report to the central government. The form of the report is usually prescribed, and may affect local methods or policies.

(*3*). *Inspection without specific power of control.* Usually as a transitional stage central officials are authorized to inspect and advise, but are without power to require their advice to be followed. They usually make a report to the legislative body, either locally or centrally, which is followed if necessary by more drastic legislation. Not infrequently inspection alone, as inspection of accounts, is sufficient. Under this head may be placed also the authority to require reports of local officials, the substance of which is published in comparative form;[2] although if

[1] Consult the *First Annual Report of the Massachusetts Railroad Commission* (1870).

[2] *See* for a remarkable illustration, *Annual Report of the Statistics of Municipal Finance*, issued by the Massachusetts Department of Corporations and Taxation.

the form of report is standardized by state authorities, it may have the effect of imposing a uniform accounting system. The publication of the report may or may not be followed by legal consequences.

(4). *Inspection with conditional grant of money.* This is the well-known "grant-in-aid" as it is called in Great Britain, or "federal aid," to use the current American term. It assumes a certain standard of efficiency which, if met, will be rewarded by financial assistance from the central treasury; or it proposes expenditures for certain purposes, which if met in accordance with specifications required by the central government, will be carried in part by that authority. The whole question is of much importance and is taken up for special study in the following section.

(5). *Audit of accounts.* Control of financial transactions of local governments is a well-traveled road toward centralization. It has a number of aspects, which may be illustrated by reference to state legislation. Thus by act of 1909 Indiana established a department of inspection and supervision of public offices, in active charge of the state examiner.[1] The governor, auditor, and examiner constituted a state board of accounts with power to install a uniform system of accounting for all local governments. Every municipality was required to make reports to the examiner, who in turn was authorized to examine all accounts of every public officer in county, township, city, and school district, and to report malfeasance to the governor and attorney general. In Massachusetts every bond or note issue of local governments requires approval; county accounts are centrally audited; and on request, town accounts are audited and accounting systems installed.[2]

(6). *Requirement of prior permission.* In some cases application must be made to some central authority and specific permission given before action can be taken. The initiative still remains with the locality, but effective control is vested in higher officials. The British Education Act of 1919 was based on this general method. Or this relationship may be reversed, the initia-

[1] Laws 1909, ch. 55. William M. Rawles, "Centralizing Tendencies in the Administration of Indiana," *Columbia University Studies*, vol. 17 (1903).

[2] For further illustration see John A. Lapp, "Uniform Public Accounting and State Supervision of Accounts," *Am. Pol. Sci. Rev.*, vol. 3, pp. 205-08 (1909); John A. Fairlie, "State Supervision of Local Finance," *Proceedings, Am. Pol. Sci. Assoc.*, 1904, pp. 151-63.

tive taken by the central government, with a power of veto in the local community.

(7). *Authoritative review.* Acts of local officials must be forwarded to the central government, which retains power to reverse action proposed. Thus the Massachusetts civil service commission enjoys a veto power over certain appointments of the mayor of Boston, on the ground that the appointee is not qualified by training or experience for the office, and the New York civil service commission may veto municipal civil service regulations.

(8). *The issuance of orders, with power to compel performance.* The initiative passes in this case from the local to the central authorities. It provides an extreme degree of centralization if widely applied. The orders are prepared and issued by the higher administrative officials, but performance is enforced usually through the courts. Thus an Illinois statute authorizes the department of registration and education, with the consent of the attorney general, to institute mandamus proceedings against an officer or corporate government of any city, town, or village which does not comply with the act in question.[1]

(9). *Partial or total assumption of activity.* The logical end of this series is reached when the responsibility for a given piece of administration is taken over by central authorities. In the last half century there have been many illustrations. Highways were substantially a county function until the twentieth century; the state has now taken over the jurisdiction of the trunk lines. Railroads were subject to county authorities in most respects in Massachusetts until 1869, when control passed to the state. Health administration began with the activity of seaports and river towns and for decades was left exclusively to towns and cities; it is now the concurrent jurisdiction of the federal, state, and local governments.[2]

It is apparent therefore that the forms of centralization are numerous and diverse. No enumeration indeed can give an adequate idea of the immense variety of expedients which have been developed in the United States. Needless to add, their practical effect varies also in the greatest degree, depending on

[1] Laws 1917, p. 522.

[2] John M. Mathews, *Principles of American State Administration*, p. 374-76 (1917).

the state of opinion, the degree of resistance of local authorities, and the persistence of central officials.[1]

3. Grants-in-aid.

The most recent phase of the process of centralization on a national scale is bound up with the extension of federal grants of money to the states, upon condition of conforming with requirements imposed chiefly by the federal officials administering the funds. A similar policy has long been effective within the states as applied to its local sub-divisions.

The subject of grants-in-aid has been discussed at length in the last five years, but chiefly from the constitutional point of view, or with reference to its wisdom or expediency on grounds of general policy.[2] The present analysis is intended to state primarily the administrative problems involved, assuming for the moment that the procedure is both constitutional and expedient on grounds of general policy. Our problem is to discover to what degree it provides an efficient system of administration.

From Washington's administration to the present day grants of money have been made for one purpose or another to the states. What characterizes the present plan is federal supervision of state expenditure of federal grants, the power vested in federal officials to discontinue the grants if a proper standard of efficiency is not maintained, and the requirement that a state or localities must appropriate sums equal to those provided by the federal government. These qualifications make the present policy of grants-in-aid a powerful weapon in securing uniform

[1] An illuminating series of studies, based on careful field observation and consultation with the interests involved, invites the student of administration. One such study was recently completed at the University of Chicago by Mr. L. H. Mayes, *Central Control of Finances in Indiana.*

[2] The leading analysis of the American problem is by Professor Paul H. Douglas, "The Development of a System of Federal Grants-in-aid," *Pol. Sci. Q.*, vol. 35, pp. 255, 522 (1920); *see also* C. K. Burdick, "Federal Aid Legislation," *Cornell Law Quarterly*, vol. 8, pp. 324-37 (1922-23); *Massachusetts vs. Mellon, Frothingham vs. Mellon*, 262 U. S. 447 (1923); E. C. Corwin, "The Spending Power of Congress," *Harvard Law Review*, vol. 36, pp. 548-82 (1922-23); John A. Lapp, "Federal Grants-in-Aid," *Am. Pol. Sci. Rev.*, vol. 10, pp. 738-43, and "Highway Administration and State Aid," *ibid.*, pp. 735-38 (1916); Austin F. MacDonald, *Federal Subsidies to the States* (1923); Frederic B. Garver, *The Subvention in the State Finances of Pennsylvania* (1919); Reuben D. Cahn, "Civilian Vocational Rehabilitation," *Journal of Political Economy*, vol. 32, pp. 665-89 (1924); *Public Roads*, the official organ of the Bureau of Public Roads; and in general Congressional documents reporting hearings on proposals for grants. For Great Britain, the standard authority is Sidney Webb, *Grants-in-aid* (1920).

action over the whole area of the United States even in subject matters over which the federal government has no power to legislate.

The Good Roads Act of 1916 vested general supervision of the grants of money to the states in the Secretary of Agriculture, who delegated it to the Bureau of Public Roads, which for a generation had been carrying on an important program of research in highway construction. The statute authorized the Secretary of Agriculture to approve the types and width of construction and reconstruction, and the character of the improvement, repair, and maintenance. Any state which fails to maintain properly a highway laid with the assistance of federal money can be penalized by refusal to approve any other project in the state.[1] By department regulations, it is provided that the surveys, plans, specifications and estimates shall show the work to be performed and the probable cost, in conformity with the standards fixed by the Secretary of Agriculture.[2] Unless standard contract and bond forms have been approved, each state is required to submit copies of the form of contract and of the contractor's bond, which, when once approved by the secretary, cannot be changed without his consent. "No federal money shall be paid until it has been shown to the satisfaction of the Secretary of Agriculture that adequate methods were employed to ensure economy and efficiency in the expenditure of such money." This regulation would seem to open up to federal control almost every phase of highway construction. All materials are tested according to methods prescribed by the Bureau of Public Roads. This authority has been so employed as to bring about the organization of highway departments in unprogressive states, to improve methods of construction, and to bring about a degree of standardization.[3]

The Smith-Hughes Act, dealing with vocational education, reproduced the same general type of relationship. In order to secure the benefits of the act, state boards are required to prepare plans showing the kind of vocational education proposed, the kind of school and equipment, the courses of study and methods

[1] 42 Stat. at L. 212.

[2] Regulations for carrying out the federal highway act. Circular No. 161, *Regulations 6, 8 and 9* especially.

[3] See *Public Roads;* and *Yearbook* of the Department of Agriculture, 1920, p. 339. The proportion of highways built under skilled supervision was raised from 30 per cent in 1915 to 80 per cent in 1921.

of instruction, the qualifications of teachers and supervisors, plans for the training of teachers and for the supervision of agricultural education. If the Federal Board for Vocational Education finds these plans in conformity with the provisions of the law, they are approved. The board may withhold the allotment of money that is not being expended under the conditions of the Act.[1]

The Federal Board for Vocational Education is also given the administration of the act providing for industrial rehabilitation. Each state is required to accept the federal act by statute directing a local board to cooperate, to provide funds equal to those granted by the federal government, to subject its expenditures to an annual audit, and to render an annual statement of its plans and such reports as may be required. The Federal Board is given authority to withhold the allotment from any state whenever it determines that the funds are not being properly expended. Where improper expenditures are revealed by the annual audit, the amounts so expended are deducted from the next succeeding allotment.[2]

These illustrations will indicate the degree of control which the general pattern of grants-in-aid imposes. Obviously a wide range of discretion is left to the federal officials. They can if they choose insist upon a strict control of the policy as well as the administrative methods of the state governments. It does not appear that they have aspired to do so. One of the very successful federal officials expresses himself on the point in these words, "Government (i.e., federal) administration is far less a matter of authority or financial control than it is of counsel and cooperation."[3] State officials, however, find a sufficient number of irritating problems in their relations to the federal bureaus.[4]

In turning now to the more distinctly administrative phases of this agency of centralization, we may consider first of all the provisions for appeal from the decisions of federal officials. Until the passage of the Sheppard-Towner Act, appeal lay directly to Congress. This arrangement can hardly be justified as sound administrative practice, and it is to be hoped that the appeal to

[1] 39 Stat. at L. 929.
[2] R. D. Cahn, *op. cit.*, p. 674.
[3] Dr. E. W. Allen, "Problems of Administering Federal Appropriations to State Institutions," *University of Illinois Bulletin*, vol. 19, no. 17, pp. 47, 56.
[4] W. O. Thompson, "Problems of State Universities in Administering Federal Funds," *University of Illinois Bulletin, op. cit.*, p. 59.

the President provided by the Sheppard-Towner Act may prove to be the prevailing rule. The appeal to Congress has been used only once, and then with decidedly unsatisfactory results.[1]

The basis of distribution of the grants offers an interesting problem which has long been troublesome to state legislatures in dealing with their subdivisions. The Smith-Lever Act (agricultural extension) allots funds to each state in the proportion its rural population bears to the total rural population of continental United States. The Good Roads Act allots one-third according to the ratio of area, one-third according to the ratio of population, and one-third according to the ratio of mileage of rural delivery and star routes appropriate to each state. The Smith-Hughes Act uses rural, urban, and total population in different cases. Other statutes use population. "In all of these, there is evident some desire to apportion the funds in proportion to the respective burdens which each state bears." [2]

An administrative problem concerning which little is known deals with the adequacy of the means of maintaining contacts, in both directions, between federal and state officials. Conferences are held at intervals in which the state officials are invited to meet with the federal authorities, and discuss their general policy; formal reports are required at regular intervals; in some cases accounts are audited; federal inspectors travel from point to point. How successful these and other devices are for maintaining effective contacts has never been clearly revealed.[3] Douglas refers to the duplication of work resulting from federal and state inspection of the same work.

One of the important contributions to administration which the system of grants-in-aid is developing is found in the process by which a national minimum of efficiency is being achieved without the creation of a vast bureaucracy and without a dangerous uniformity. Through the medium of local initiative (for all plans originate with the states), voluntary cooperation, mutual contribution, and central determination of standards which may be adapted to varying conditions, the level of efficiency in the more backward states is being raised to that achieved elsewhere.

[1] A. F. MacDonald, *op. cit.*, pp. 22-23.
[2] P. H. Douglas, *op. cit.*, p. 288.
[3] *See* R. D. Cahn, *op. cit.*, at p. 679: "Constructive leadership has been lacking." At this point an important study could be made of the so-called connecting mechanism referred to in a preceding chapter.

Moreover, the centralization of research makes progress in all the states both more rapid and more uniform. Hitherto we have been forced to rely on constitutional amendment and statutes to secure a national minimum program; now we are on the way toward achieving a national minimum of efficiency without seriously disturbing the traditional rôle of states and federal government.

> The supervision exercised, although designed to conserve the federal funds, has aided in the development of policies which have been applied to all funds. This has had a far reaching effect, especially in the earlier days, and has freed the stations from interference detrimental to their efforts. . . . Insistence upon a conservative policy of continuity in work has guarded against frequent shifting to meet temporary demands. . . . The stations established under the Hatch Act have all been continued from the time of their organization and have represented a grade and a stability rarely to be found in purely local institutions. . . . There has sometimes been apprehension, mainly on theoretical grounds, lest centralized federal supervision dominate the local authority in the management of federally aided institutions. . . . But the purposes of the United States Department of Agriculture have become so established as apparently to allay apprehension, and often it has been welcomed as supplying an element of restraint from interference of another type.[1]

The system of joint contribution is much more conducive to economy than grants to the states made without condition or requirement.

The influence of the federal officials has been conducive to distinct improvements in state administrative machinery. For one thing there has been constant pressure to retain competent men, and constant protection to state agencies against the pernicious influence of local politics.[2] Then there has been an effort to maintain unity of policy in the state institutions dealing with the federal government. Many states have been induced to improve their administrative organization, or to create new units to handle the federal grants. Forms of contract have been standardized in part, and better accounting methods installed in order to meet the requirement of making proper financial reports.

Referring to the state agricultural experiment stations, Dr.

[1] Office of Experiment Stations, Department of Agriculture, "Work and Expenditures of the Agricultural Experiment Stations," 1923, pp. 2-5.
[2] E. W. Allen, *op. cit.*

Allen diplomatically brings out some of the difficulties which a federal official may meet with. A "tendency to sidestep administrative questions of troublesome possibilities is sometimes seen in the request for opinions and decisions on matters which really fall under the head of local option. These may voice a real desire for counsel, or they may arise from a tendency to 'pass the buck.'"

The divergence of view between state and federal officials as to where lies the final responsibility for administrative decisions involved in the federal-state relationship is well brought out by quotation from Dr. Allen and President Thompson of Ohio State University. The former declares, "As long as the law remains as it is, a considerable measure of supervision is manifestly inevitable, and there are many who believe that it should not be relinquished." But President Thompson asserts, "The administrative problem, therefore, between the federal and state governments on such issues must recognize the superior responsibility of the state officials."

A type of administrative organization presenting some novel features is in fact developing between the states and the federal government. While federal aid is furnishing the present occasion for this evolution, it is by no means its only indication. It is well known that the federal administration of Switzerland and of both the former German Empire and the present Republic use the "state" administration very widely in the execution of national policy. The textbooks contrast the administrative structure of our federal government, asserting it to be complete in and of itself, having little connection with state systems. As a broad generalization, assent may still be given to this statement; but the sharp definition of its outlines is already blurred. Thus, as in the health organization of the country, state officials in many cases are also federal officials, receiving a nominal salary and cooperating with the federal service.

The amount of cooperation between the states and other agencies and the federal government is already very extensive, especially in the realm of research, testing and observation, surveys, teaching, extension and demonstration, regulatory work, and administration.[1] A recent study revealed 553 separate co-

[1] Compare the cooperative plan in operation between the state and federal commerce commissions, *36th Annual Report of the Interstate Commerce Commission, Appendix H* (1922).

operative research projects, including more than 1,100 cooperative undertakings. Much of this does not involve in any way the problem of federal aid. Among the projects more specifically devoted to administration may be noted the administration of weights and measures laws, the enforcement of the Food and Drugs Act, the United States Warehouse Act, the Migratory Bird Treaty and the Lacy Acts, and the eighteenth amendment.[1] Little is known about the actual operation of the federal-state relationships here suggested. It is certain, however, that administrative problems of great importance are being met and dealt with, and it is much to be hoped that systematic attention may soon be directed to them.[2]

4. Some Problems of Administrative Centralization.

The importance of the financial aspect of centralization warranted the preceding diversion from the main thread of the chapter. It will be recalled that something has been said concerning the general tendency toward centralization in the United States, and a systematic statement of its forms has been suggested. We may now return to take up briefly some of the general administrative problems involved, setting to one side the issues of undisputed importance which are raised by other than the administrative phases of the problem.

(*1*). *Competency.* In general it appears to be true that the officials of the federal government are likely to be more competent than state officials, who are in turn more efficient than local officials, excepting always the large municipality, in which can be found a high order of technical proficiency. This grading of capacity, to which of course many individual exceptions must

[1] E. W. Allen, "Cooperation with the Federal Government in Scientific Work," *Bulletin of the National Research Council*, no. 26.

[2] Professor Douglas summarizes the advantages of the system as (1) Federal aid divides a burden which is often too heavy for a state to bear unaided; (2) it insures a certain national minimum standard; (3) it insures relatively economical expenditure of federal funds; (4) it creates no centralized bureaucracy, but instead grants initiative and autonomy to the states; (5) it affords a clearing house for information, permits of centralized research and distributes the results of investigations and experiments; (6) it largely solves constitutional objections; (7) it serves to integrate the units affected within a state and to strengthen state control.

Lutz summarizes the results of centralization in the field of tax administration in the following points: (1) improvement in the assessment and equalization of real estate, (2) development of improved technique of tax administration, (3) improvement in the assessment of corporate property, (4) introduction of system of uniform accounting and auditing for public offices, *State Tax Commissions*, ch. 19.

be made, is due in part to the greater responsibilities involved, in part to the wider opportunity for specialization, in part to the prestige values involved, and in part to the better habits of the federal government in dealing with its employees. The tendency toward vesting greater power in the higher officials is therefore in the direction of utilizing the most competent group of public officials.

(*2*). *Centers of initiative.* One of the main problems of good administrative organization is to make allowance for the free play of the inventive capacity of its personnel. An excessive centralization is said to repress the latent capacities of public officials, as their acts are subject to review and reversal, or are dictated in the first instance by orders from above. Under such circumstances they tend to become automatons. On the other hand, it may be asserted that the stimulus which may come from above sometimes induces thought and action below. Students of administration need a series of careful investigations to bring out evidence on the observed effects of central control on the power of initiative of less responsible officials.

(*3*). *Uniformity.* In some fields uniformity of administration is essential. The rules for the assessment and collection of taxes, for the medical inspection of alien immigrants, for the enforcement of a minimum wage ought obviously to be the same throughout the jurisdiction affected. Centralization is here prescribed by the nature of the case; but in other matters uniformity may be in fact undesirable. Thus as to regulations for the use of the national parks there are such variations in the circumstances that special rules may be needed for each. It can only be said that as the necessity for uniformity increases, so does the desirability of some degree of centralization.

(*4*). *Administrative areas.* An untouched field for investigation lies waiting the student of administration in the subject of administrative areas. The trend toward centralization is from this point of view little more than the substitution of a large area for a smaller preexisting one. The conditioning factors which govern the necessity for this shift lie in part on the surface, such as means of transportation and communication, the territorial organization of social groups, and the developing technique of cooperation; but beneath the more obvious elements lie others, the exploration of which is an important task of the future. The

authority responsible for demarcation of areas, the principles observed, the methods employed, the stability of the administrative map, the inter-relations of areas, their connection with physical as well as social conditions need to be revealed. At the present time little more can be done than to state the obvious truth that centralization and the enlargement of administrative districts are each functions of the other, and that efficiency is in part a function of the right choice of area for a given purpose.[1]

(*5*). *Red tape.* One of the important considerations governing any particular decision in favor of or against centralization is the danger of over-multiplication of levels of responsibility. The machine should be as simple and direct as possible. Every additional intermediary spells delay, increased expense, possible confusion of responsibility, and more red tape. Modern social conditions necessarily demand a highly developed organization, but there is no excuse for making it more complicated than is absolutely required.

> The government, in attempting to handle innumerable minute things, becomes mechanical, and the more mechanical a government becomes and the less able it is to deal directly with the people, the more danger there is of its becoming entangled in a mesh of red tape. It is not accident that red tape is notorious in large states where central control of local interests is practiced. The governmental functions become so numerous that personal supervision is hopeless, and in their efforts to forestall corruption, administrators bring on a complicated procedure that makes prompt and direct action impossible.[2]

(*6*). *Control.* The more highly centralized an administrative machine becomes, the more power is vested in the hands of the officials who direct it; the more the machine itself tends to become an independent center of authority, the more likely is it to attempt to interfere in the processes by which democracies seek to control their public officials. It is a frequent complaint that the French bureaucracy can "make" the elections, and in the whole history of the Third Republic, no government had been overthrown as a result of a national election until Herriot dis-

[1] Consult the following references which bear more or less directly on the point. Charles B. Fawcett, *Provinces of England, a Study of Some Geographical Aspects of Devolution* (1919); Harold J. Laski, *The Problem of Administrative Areas, Smith College Studies in History*, vol. 4, no. 1 (1918); Walter F. Dodd, "Political Geography and State Government," *Am. Pol. Sci. Rev.*, vol. 14, pp. 242-76 (1920).

[2] Walter Thompson, *Federal Centralization*, p. 367.

placed Poincaré and Millerand in 1924. All this points to the necessity of adequate means of control of the administration, so devised as to be able to cope with the growing power of an administration constantly in process of centralization.[1]

This observation leads us perhaps out of the purely administrative question. No one will deny that the process of centralization raises issues of the greatest importance quite outside the relatively narrow field of governmental efficiency, and it is on these issues that the problem is usually discussed and will probably be disposed. To these larger issues a brief space only can be devoted.

"The social and economic significance of centralization of governmental functions," writes Walter Thompson, "is more than a judicial question. The question whether or not centralization is expedient and wise is as important as the question whether or not it is constitutional. The wisdom of a policy of decentralization is a legislative rather than a judicial problem. It involves a consideration of the nature of the federal power and the possibilities for further expansion, the difficulty of legislating by indirection, the question of legislative and administrative areas, the determination of what interests are essentially national and what matters can be more advantageously handled by local units of government, and the effects of centralization upon the relations of the people to their government." [2]

Of these larger issues, the effectiveness of an autonomous local administration as a training school in self-government is perhaps the most important. A democratic form of government presupposes a nucleus of citizens who are prepared to assume the responsibilities of governing, and a citizenry which knows and cares enough for good government to give adequate support to its leaders. Striking failures to achieve either sound leadership or widespread interest in good government do not lessen the validity of the general proposition. If administration is to be the work of a highly centralized bureaucracy, it is impossible to expect a sense of personal responsibility for good government, which the citizen only acquires when given latitude in dealing with the affairs of immediate concern to his locality; nor is it possible to provide for him the opportunity to learn the art of

[1] Compare an Ohio experience related by F. W. Coker, "Interworkings of State Administration and Direct Legislation," *Annals*, vol. 64, pp. 122-33 (1916).

[2] *Op. cit.*, p. 350.

government by actual participation on the scale which arises naturally from decentralization. True as it is that the scope for amateur participation is rapidly narrowing, all care should be taken not to diminish more than necessary the influence of self-governmental institutions. The reconciliation of the need for technical competence with the enthusiasm of the amateur calls for statesmanship of a high order.[1]

5. The Limits of Centralization.

"If we should stop talking of centralization versus decentralization as principles, and instead consider how both as methods might best be combined to produce the results we want, we should make more progress in the science of political administration than we do."[2] Most opinions on the limits of centralization in fact represent predilections in favor of or against some particular proposition which happens to be in the foreground of discussion. A more secure basis, but one which is perhaps also subject to the charge of relativity, may be sought in attempting to evaluate the long-time effects of either centralization or decentralization from the point of view of the achievement of national aspirations. A number of such estimates have been made.

In concluding his study of English local government, Maltbie wrote:

> The justification of the exercise of these powers by a central authority rests upon two principles, *viz.:* Whatever is of general interest should be administered or at least supervised by the general government or its agents; and when local authorities prove their incapacity to administer efficiently a matter entrusted to them, it should be given to more capable authorities. . . . To what extent decentralization is possible and advisable is not so easily answered. Admitting that the object of all administrative systems should be to leave to private enterprise and local activity all matters that will be efficiently administered by so doing, it is evident that there can be no hard and fast lines as to the proper spheres of the local and central governments. They will vary from age to age and from subject to subject.[3]

Whitten closed his monograph on the administration of Massachusetts with this somewhat cryptic paragraph. "The relation

[1] On the whole question, *see* S. Gale Lowrie, "Centralization versus Decentralization," *Am. Pol. Sci. Rev.*, vol. 16, pp. 379-86 (1922).
[2] George Soule, "Federalism as a Method," *The New Republic*, vol. 41, pp. 303-05 (1925).
[3] Milo R. Maltbie, *op. cit.*, pp. 263, 265.

between the municipality and the commonwealth is organic and not mechanical. The problem is to recognize the individuality and responsibility of each. There must be centralization without consolidation and fusion, decentralization without divorce and isolation. There must be sufficient centralization to secure the autonomy of the commonwealth, sufficient decentralization to secure the autonomy of the municipality, sufficient control to secure the responsibility of each." [1] In fairness to the author it must be added that he offers suggestions somewhat more specific than these. The question whether administration shall be central or local turns, he says, upon the extent of the institution in question. The jurisdiction of the controlling authority must be as extensive as the institution controlled. That the benefits of increased specialization can be obtained only by a more comprehensive organization is as true in certain branches of administration as it is in industry. The extent of central supervision over local authorities depends upon whether the efficient performance of the function is a matter of local or general concern, and in the latter case whether or not there is an identity of interest between municipality and commonwealth. It is the province of the latter to assist the municipality by performing for it certain services that it cannot efficiently and economically perform for itself. Of this nature are such services as the administration of the merit system, the technical regulation of municipal monopolies, the audit of municipal accounts, and generally the entire field of municipal inspection.[2]

A more recent view is expressed by Dodd. Writing in the *Yale Law Journal*, he says, "Though the nation must and will finally deal with problems of a national character, the presumption must be against the assumption of a new national function, unless it may be clearly recognized as one properly to be withdrawn from state and local control. This view is not based on theory but upon the need for efficient enforcement of governmental policy. The undue assumption by the national government of detailed governmental tasks leads to inefficiency because (a) it makes the federal administration less effective, (b) it removes a feeling of local responsibility for law enforcement." [3]

[1] Robert H. Whitten, *op. cit.*, 167.
[2] *Ibid.*, ch. 12.
[3] Walter F. Dodd, "Growth of National Power," *Yale Law Journal, vol.* 32, pp. 452-59 (1922-23).

Dodd urges the national government to content itself with standardization and coordination, and with investigation and research.

An exhaustive study of the state tax commissions led to the following statement by Lutz.

> The general conclusion which has been reached from this study has been that *state* control of *local* administration has been beneficial and should be extended in some directions even further than at present, in order to permit the correction of certain defects still existing. Complete state assumption of the functions of local administration is, however, quite another matter and it is doubtful if this extension of state activity can be justified. For the sake of local self-government, and even of democracy itself, can the state afford to deprive the local units of all responsibility in a field so important for the whole people as that of taxation? The problem is a serious one. It involves the loss of much that is vital in local government and the extension at the same time of state activity in the interests of general welfare. The present movement toward central control . . . cannot stop where it is. . . . A most difficult but not impossible part of the task lies yet ahead, the development of a sense of local responsibility which can be trusted with the proper performance of certain functions, such as the assessment of real estate, the establishment of local tax levies, and the local equalization of taxes, which are after all local rather than central in character. . . . The tax commissions must realize, and bring the people in general to realize, the dangers which lurk in excessive bureaucratic centralization of the responsibilities of democracy.[1]

These expressions of opinion appear to start from a presumption in favor of local autonomy, and place the burden of proof on those who advocate centralization. If only the administrative advantages and disadvantages are reckoned with, the burden of proof is not so easy to assess. Efficiency is certainly not a product of the decentralized form of government from which we are now emerging. The benefits of greater specialization, the more complete utilization of science, the achievement of a common minimum of efficiency, and the adaptation of administrative area to the subject dealt with, all point directly toward a much higher degree of centralization than most of the American commonwealths have yet accomplished. As the forms of business and social organization extend, it is essential for the jurisdiction of the administrator to extend. Allowing that this evolution imposes the necessity for assuring adequate popular control and wide opportunity for popular participation, it still seems proper

[1] Harley L. Lutz, *The State Tax Commission*, pp. 637-38 (1918).

to insist that these are desiderata to be fitted into a centralizing administrative system, rather than to warp the system to meet these needs. Centralization, after all, is a process rather than a status, and it is a process which inevitably grows out of the social environment of the age, in response to the necessity for dealing with specific, concrete situations. Each generation makes its contribution for or against the growth of the central government as its problems dictate.

The limits of centralization are defined by the prevailing technique of social cooperation and the prevailing social environment. In America we are now living in a social environment which is constantly building itself upward and outward, creating larger social and administrative units which tend to replace in whole or in part the smaller units of earlier decades. One may suggest three tests or standards: the effective attainment of prevailing social ideals and objectives, the preservation of community and individual sense of initiative and responsibility, and the preservation of adequate democratic control.

The social profile shows centralization progressing at various rates of speed and reaching a "saturation point" at different stages. No specific demarcation of the limits of centralization can be set which has any promise of stability. The extension of the use of the radio may tend to develop centralization beyond any point now envisaged, in exactly the same fashion that long distance telephones have destroyed the usefulness of the smaller administrative units of the French national government.

The great question arises as to what extent the voluntary cooperation of local government may serve as a deterrent to the tendency toward centralization. There are now in existence a large number of state leagues of municipalities, many of them well established, and recently united in the American Municipal Association. It is at least conceivable that by an unofficial organization and pooling of resources, the city governments might make effective provision for services which otherwise would necessarily be taken over by the state. Thus the Kansas and Colorado leagues of municipalities have devised uniform accounting systems which they are encouraging their member cities to adopt. A model traffic ordinance was worked out by the Kansas league and has been widely adopted not only in Kansas, but in Nebraska, Michigan, and other states. The Virginia and

Indiana leagues have made studies of public utility rates and services because the state authorities were not in a position to make the investigation.

But on the other hand, it seems to be the definite opinion of the secretaries of these leagues that on the whole no important tendency to delay centralization arises from their work. Indeed in some states the leagues take the initiative in urging the state to establish closer supervision. In Minnesota the league has requested the public examiner to prepare and install uniform accounting procedure, and recommended a rigid state control over the issuance of bonds. Likewise it took the lead in recommending state control over motor bus regulation.

A former secretary of a state league of municipalities makes the following observations on the limitations of their work.

"The rapidly changing and non-professional character of municipal officials constantly undermines unity of purpose and direction. In a ten-year period the directory of municipal officials will show only a small percentage of continuing individuals and these usually in less important positions.

"The financial limitations of the city always operate to curtail the operations of the league. Membership rates are now higher and going up and this augurs well, but it increases the effort which the league must put forth to keep up the membership through solicitation. To a new administration the membership usually seems like a luxury. The legality of such expenditure may be questioned and the state may at any time so regulate the amount available for such purposes as to block effectively further development.

"I doubt whether any significant progress will come until the area of municipal competence has been enlarged. Any movement in this direction encounters the opposition of very powerful interests. Still, I doubt if the cities can be denied, if only they will demonstrate their ability to function effectively within the limitations already established.

"In limited research, maintaining information services, repelling legislative activity of an undesirable sort, working out improved methods of reporting, stimulating *esprit de corps* among municipal officials, in making surveys and publishing various sorts of material, and in challenging state administration, the leagues can go far. Beyond these things the issue is in doubt."

CHAPTER FIVE

THE FORMS AND METHODS OF INTEGRATION

On the whole, experience seems to show that the interests of the taxpayer cannot be left to the spending departments; that those interests require the careful supervision of each item of public expenditure in its relation to other items and to the available resources of the state, as well as the vigilant supervision of some authority not directly concerned in the expenditure itself; and that such supervision can be most naturally and effectively exercised by the department which is responsible for raising the revenue required.

Machinery of Government Committee Report (Great Britain).

1. Introduction.

Interest in the trend toward centralization has been obscured in the last fifteen years by the sudden rise of a new drive for "efficiency and economy," which has concerned itself with such matters as the reorganization of departments, improved systems of accounting, purchasing and printing, the installation of budgets, and in some cases the imposition of a rather drastic supervision and control of the day-by-day expenditures of the departments. This drive has had its dramatic elements, and has stirred up a quiet but persistent opposition which raises issues of fundamental importance. The general tendency of the movement has been all in the direction of setting up "natural" units of administration, and binding them together by many expedients, the most important of which have signally enlarged the scope and intensity of the administrative leadership of the chief executive. To this trend, therefore, it is proposed to give the name of integration.

The definition offered in a preceding chapter speaks of integration as a tendency to knit together departments of government into a single great unit. This definition does not, and need not imply that all administrative decisions are made by the chief executive. Such a burden would be in the highest degree inefficient, if not impossible. It means only that to the chief executive are given adequate powers to ensure that the whole administrative machine will work as a unit, instead of scattering its efforts

in a hundred unrelated, if not competing, activities. The responsibility for conducting the work of each department, the initiative in preparing its plans and estimating its financial requirements, remain vested in the department; it is intended, however, that each department is to work not in an administrative vacuum, but in an ordered relationship to the whole administrative machine. A simple statement of the objective of this movement in American administration might readily lead one to believe that opposition to such consequences could hardly develop, but as a matter of fact, the transition from a highly disintegrated system to one more highly integrated has stirred up much friction and misunderstanding and furnished the occasion for the crystallization of many significant conflicts of interest.

Referring to the relations of scientific agencies to state government, I wrote in 1924,

> Recent years have furnished the occasion for the testing of the new régime under varying conditions. As a result of experience to date, widely diverse opinions are held as to the wisdom and expediency of present methods. On the one hand, it is asserted that the necessity for economy and for the elimination of waste requires that expenditures of public money be scrutinized with the greatest care and by some authority independent of the expending official; that the necessity for balancing income and expenditure requires "centralized" control of the whole financial process; that the desirability of comparing the expediency of various proposed expenditures each with the other in order to ensure the wisest possible use of the limited funds available requires a single agency for the authoritative review of estimates, the preparation of a budget, and the supervision of all phases of state finance.
>
> On the other hand, it is asserted that the accounting forms imposed are in some cases too detailed and too complicated for research agencies, which are usually small and frequently deal with a type of expenditure somewhat different from that of a typical government bureau; that the "red tape" involved is vexatious and expensive; that the specialized purchasing which is required for their work is not properly handled by central purchasing agents; that their work is delayed by the necessity of securing approval of other authorities; that those authorities possess neither the specialized knowledge nor the sympathetic understanding requisite to a proper decision on matters of expenditure for research purposes; and that the ultimate responsibility for the work of the department is being transferred to the department of finance.[1]

[1] "An Evaluation of the System of Central Financial Control of Research in State Governments," *Bulletin of the National Research Council*, vol. 9, pt. 2, no. 49, pp. 9-10 (1924).

The following pages of this chapter are devoted to brief sketches of the ways in which the process of integration is working itself out in Great Britain, so far as its financial machinery is concerned, in the federal government of the United States, in two representative states, Illinois and Massachusetts, and in municipal government. These descriptions will be concluded by a general summary of the movement. The following chapter will present some of the problems connected with integration and attempt to indicate along what lines its limits are to be defined, while the two succeeding chapters are devoted to a survey of other problems of organization and reorganization.

2. Great Britain.

The financial machinery of Great Britain and its control of personnel illustrate two phases of the tendency toward a closely knit administrative system which is just now beginning to emerge in the United States. Each of these phases depends in the closest way upon the British Treasury.[1]

"More and more, as its investigation proceeded," write Willoughby, Willoughby, and Lindsay, "the commission had borne in upon it the fact that in the Treasury the British Government had a great organ of general administrative control; that upon it fell the duty and responsibility for the final determination of what form of organization the several departments of the Government should have, what personnel was needed, what compensation should be paid, what new undertakings should be authorized, what changes should be made in the employment of funds as provisionally allotted by Parliament, what new grants Parliament should be asked to make, what the work program of the Government should be, etc.; that in discharging this function it was its duty to keep itself thoroughly informed regarding the conditions and needs of the several services and use its utmost endeavor to see that Government operations were conducted with the maximum of efficiency and economy; that, in a word, the Treasury was the one authority to which Parliament and the public looked to see that public affairs were administered in an economical and efficient manner."[2]

The performance of this duty falls in part to the Treasury directly, and in part indirectly, through its control of the office

[1] See A. L. Lowell, *Government of England*, pp. 123-30; W. F. Willoughby, W. W. Willoughby, and S. M. Lindsay, *The System of Financial Administration of Great Britain* (1917); *Minister of Reconstruction, Report of Machinery of Government Committee* (1918) cd. 9230.

[2] *Op. cit.*, pp. 178-79. The following account is based chiefly on this book. The student should not fail to consult the articles in the *Journal of Public Administration*, vol. 2, pp. 122-71 (1924).

of works and public buildings, the stationery office, and the civil service commission, and its relations with the auditor and comptroller general. Through the Chancellor of the Exchequer, the Treasury possesses the power to revise and, if necessary, to reduce the estimates of the succeeding fiscal period. This authority naturally gives the Treasury a general control over the plans and work programs of the various offices, and inasmuch as it is usually presided over by the Prime Minister, while the Chancellor of the Exchequer is recognized as holding a very high position, the decisions of the Treasury are not likely to be seriously modified if an appeal is carried to a cabinet meeting.

After the appropriation has been made, the money does not come into the unqualified possession of the administration. British financial practice proceeds on the theory that a grant of money by Parliament is not an order to spend the whole amount; it is rather a checking account on which drafts may be made in so far as necessary. Theoretically every expenditure as well as every estimate must receive the approval of the Treasury. In practice this means that every new expenditure, or increased expenditure for a purpose already authorized, comes up for specific consideration. "Proposals for the increase of establishments, increased rates of pay, additional services or new works, require Treasury sanction, and are questioned by the Auditor General if they are put in force without the authority of the Treasury."[1] These "broad powers of financial control" are not exercised by passing upon vouchers, orders, contracts and the like, but in giving approval or disapproval of actions which will give rise to the need for increased expenditures. "Its power in respect to these matters is practically absolute."

The Treasury informs itself concerning the needs of the departments in a variety of ways. Its own clerks are men who have seen service in the departments or who have long been in contact with them, and who follow the work of the departments week by week, year in and year out. Special departmental or inter-departmental committees make studies which are presented to the Treasury in support of claims, and from time to time the Treasury may investigate, either by request of the department or upon its own initiative.

[1] Henry Higgs, *The Financial System of the United Kingdom* (1914), pp. 82-83. *Cf.* an anonymous article, "Le contrôle de l'engagement des dépenses," *Revue politique et parliamentaire*, vol. 116, pp. 490-507.

In controlling personnel, the Treasury works through the agency of the civil service commission. It is seldom realized by American students that the British civil service commission is exclusively a service agency, acting on behalf of all departments in selecting properly qualified officials and employees, while the regulatory phases of personnel work are in fact governed by the Treasury. The Order in Council of 10 January, 1910, reveals the extent of this control.[1] Appointments to the office of the civil service commission require the consent of the Treasury. The rules governing the admission into each department require the approval of the Treasury, which also passes upon the regulations governing examinations and exemptions from the regular methods of admission. Many of the rules concerning examinations and fees are subject to the same approval. At intervals of not less than five years the Treasury may direct an inquiry into the pay and numbers of officers. It allocates the number of first division clerks to departments, and has a veto on the creation of new positions. Each individual promotion from the second division to the first division requires its sanction. Without attempting to make an exhaustive classification of the powers of Treasury over personnel, it will readily be seen that they are extremely comprehensive.

Supervision over purchasing is exercised through the office of works and public buildings. To it is entrusted authority for providing all the civil services with buildings, grounds, office equipment and supplies for current operation and upkeep. Each department presents its building program and its estimate of supplies to the office of works, which determines whether any further action shall be taken, and if so, what. If a request for funds is made, it appears as a part of the estimates of the office of works, to which the appropriation is made by Parliament. Its estimates have to be submitted to the Treasury and are subject to its superior control, as are all other estimates. "The result is, thus, that each year Parliament is furnished with a work program that has been carefully elaborated by a technical service and has passed the scrutiny of the Treasury." [2]

The same principles govern the furnishing of stationery and the execution of printing, His Majesty's stationery office acting

[1] Reprinted in Robert Moses, *The Civil Service of Great Britain*, pp. 271-88 (1914).

[2] Willoughby, Willoughby, and Lindsay, *op. cit.*, p. 189.

as the agent of the Treasury. The estimates are submitted to the stationery office and then to the Treasury; the appropriation is made to the stationery office, which allots to bureaus in general accordance with the estimates. Control over printing appears to be more strict than over supply of paper. "All demands pass through the hands of technical experts who scrutinize them most carefully with a view to effecting economies in quality of paper, printing, etc. Attention is also given to the requisitions with the object of checking extravagance." [1]

The famous Exchequer and Audit Departments Act installed a modern system of auditing in Great Britain.[2] The office of Auditor and Comptroller General is not considered a branch of the executive, but rather a part of the legislative machinery for ensuring the propriety of expenditures. In spite of this fact appointments to the office are made by the Treasury, which likewise fixes the form of accounts and reports. The audit of expenditures is continuous. Contrary to American practice, the Comptroller and Auditor General has no power to disallow items of expenditures which he believes to be improperly made. His office communicates with the department concerned, and if satisfactory reply is not received, the matter is referred to the Treasury. Thus is exemplified again and in an unusual manner the rule that the Treasury is responsible for the financial administration of the country.

The duties of the Comptroller General and Auditor are not strictly limited to questions of the legality of expenditures, but, without any specific warrant of law, seem to include also questions of the wisdom of expenditures. Willoughby, Willoughby, and Lindsay advocate the extension of this type of oversight, limiting the function of the auditor, however, to calling the expenditure to the attention of the department and reporting to the political authority if need be.[3]

This brief account of English fiscal procedure has been introduced in part because it was undoubtedly influential in molding recent American innovations, and in part because analogous practices seem to have sprung up in this country, comparison of which with the settled English procedure is full of interest. Although

[1] *Op. cit.*, p. 206.
[2] 29 and 30 Victoria, ch. 39 (1866).
[3] *Op. cit.*, pp. 225-26.

there has been much criticism of financial procedure in Great Britain, students and critics alike agree in advocating a generous measure of the type of control just outlined as one of the most potent guarantees of economy and efficiency.

3. The Federal Government of the United States.

The federal administration was settled on the base of integration by the constitution and by the decision of the first Congress that the power of removal vested in the President without the concurrence of the Senate. This rule was followed without serious question until 1867, when Congress undertook to assume control of removals by requiring Senatorial confirmation as in the case of appointments. The law was modified in 1869, when Johnson left the political scene, and was finally repealed in 1887 after a sharp encounter between Cleveland and Congress.[1] It is now clear that the President has an undisputed legal right of removal, independent of congressional authority and unlimited by attempted congressional restrictions. This alone is sufficient to give him far-reaching control over the course of administration, as the country was taught by Jackson in dealing with the treasury department.

The President does not possess the power to organize or reorganize departments. The structure of his official hierarchy is beyond his control. This is notably true with respect to the so-called independent establishments, of which there are now a considerable number. Theoretically they are responsible to the President, but actually the connection is slight. Such establishments are the Federal Reserve Bank, the Federal Trade Commission, the Interstate Commerce Commission, the Shipping Board and the Emergency Fleet Corporation. These agencies are not related to any of the ten departments of state. Their membership is overlapping so that no President appoints a majority until the close of his first term; their powers are derived from Congress and do not require executive approval; their policies are fixed within the commission to such a degree that there was considerable comment when President Harding called upon the

[1] F. J. Goodnow, *Principles of the Administrative Law of the United States*, pp. 76-77. Grover Cleveland, *Independence of the Executive* (1913). Contrary to usual impression, the right of superior officials to remove subordinates holding classified positions is not substantially diminished by the civil service law and regulations.

Interstate Commerce Commission one morning and discussed matters pending before it.[1]

The federal administrative machine had already grown to such an enormous size that even before the administration of Cleveland it was an impossible task for any one man to give its various parts individual attention. The need had become extreme for what is now called a staff agency. Except in the military and naval branches, however, a staff was not yet conceived, and Presidents were supposed to deal with the administration through the intermediary of cabinet officials and any informal contacts which their own industry might suggest. In recent years a staff has begun to take form to assist the President in dealing with the civil side of administration in somewhat the same way that he deals with the military.

The origins of the staff are to be found in the Taft Efficiency and Economy Commission appointed in 1912. This was a temporary commission, but its reports, although for the most part ignored at the time, were influential in bringing about the establishment of the Efficiency Division of the Civil Service Commission.[2] In 1918 the division was given independent status as the Bureau of Efficiency; it has acted as a free lance, maintaining close relations with certain Senators, and only imperfectly fulfilling the function of staff agency to the chief executive. It has recently been the target of severe criticism.

Meanwhile another agency appeared in the form of the Bureau of the Budget, which gives promise of developing into a permanent and effective staff for the President. After long discussion the Bureau was attached by law to the treasury department, but from its foundation it has consistently viewed itself as the President's direct agency for making his influence a real one in the business activities of the government. It can hardly fail to take the place of the Bureau of Efficiency as the dominant factor in federal administration. The authority of the Bureau of the

[1] *Cf.* the controversy between President Coolidge and the Shipping Board, and members of the Tariff Commission.

[2] *See* especially *Message of the President*, Feb. 26, 1913, *Senate Doc.* 1113, 62nd Congress, 3rd Session (1913), pp. 187-205, "The Need for the Organization of a Bureau of Central Administrative Control." "Without such an organization the government must continue to develop along the lines that it has followed in the past, viz, lines of congressional control, and isolated, independently functioning, bureaucratic administration, with all of its frictions, its jealousies, its handicaps, its wastes, its lack of responsibility for work undertaken and for the efficiency of results obtained." *Ibid.*, p. 205.

Budget is so extensive and its importance as an integrating influence so great that its duties should be clearly understood.[1]

The Bureau of the Budget construes its function to be that of giving impartial advice to the President and Congress "in all matters regarding the proper business functioning of the government." It is authorized by the Budget Act to prepare a plan for the reorganization of the departments, and constantly brings pressure to bear in the interest of economy and better methods. One of its most noteworthy achievements has been the system of coordination by means of which the departments have been linked up into a single mechanism for the purchase and sale of goods, provision of motor transport, use of buildings, shipping of goods and the like. There can be no doubt that its efforts in this direction have been productive of great savings to the government. "The great waste and extravagance heretofore existing in governmental business administration, however, has not resulted so much from an admittedly improper grouping of activities in certain departments as it has from a complete lack of executive control imposing coordination between departments and establishments themselves." The Bureau of the Budget has been the leading agency of the President in securing that coordination. Through its representation on the Personnel Classification Board it has now extended its influence over an important phase of personnel control.

In connection with the preparation of the budget, which is usually considered its primary function, the bureau has extensive authority, acting always on instruction from the President and in accordance with his policy.[2] The accounting system is prescribed by the Comptroller and Auditor General, so that the bureau does not have the authority to deal with this subject, so closely related to the form of the estimates.

Preliminary estimates are submitted to the Bureau of the Budget in August of each year. After study by budget investigators they are submitted to the Board of Estimates, composed

[1] Consult Charles G. Dawes, *The First Year of the Budget of the United States, passim.* (1923.) *See also* F. A. Cleveland, "The Federal Budget," *Proceedings, Academy of Political Science*, vol. 3, pp. 117-31 (1913); W. F. Willoughby, "The Budget as an Instrument of Political Reform," *ibid.*, vol. 8, pp. 56-63 (1918).

[2] Henry P. Seidemann, "The Preparation of the National Budget," *Annals*, vol. 113, pp. 40-50.

of the Director, assistant director, executive assistant, and the six assistants to the Director. The board modifies the proposed program of the departments to fit into the approved administrative policy.[1] Each department is then notified of the amount to which its total estimates have been reduced and is directed by the President to apportion the total among its activities. Final estimates are prepared by the departments and submitted to the Bureau on September fifteenth. They are again studied intensively by the budget investigators, and hearings are held by the Board of Estimates from September fifteenth until well into November, in the course of which the terms of the budget are fixed. The departmental estimates are then put in shape by the department budget officer, and are combined into the final document by the Bureau of the Budget for transmission to the President.

The following story related by an English visitor to the United States reveals a dramatic moment which is not untypical of budget procedure.

> After a dinner, such as you get in prohibition countries, General Dawes walked up and down the platform, stamped, beat the table, and gave us an account of his last great struggle with the Secretary of the Navy. The Secretary of the Navy, one of the Cabinet—the five or six people who assist the President and are the highest officials in the state—had been asked to take 300,000 dollars off his budget, and he had sent General Dawes a very curt refusal. Therefore, said General Dawes, "I sent for him to come to my office. I did not go to his office, and as he came in I said, 'What about this reduction in your estimates,' and he said, 'Well, Dawes, I have a responsibility for the efficiency of the navy, and I am not going to divest myself of it or to be dictated to by anyone about the duty which I owe to the people of the United States.'" Then Dawes said, "Let me remind you that the President of the United States is Commander-in-Chief of the American navy, and that if he tells you that you have to take 300,000 dollars off your budget, you have to take them off or go. Will you go on the mat with me before the President on that issue?" The Secretary of the Navy, who was not very inclined to do so at the moment, took his papers away, and wrote a memorandum to the President, and Dawes said, "Next day I heard that the President had agreed with the Secretary of the Navy, less 300,000 dollars."

[1] "The Bureau of the Budget, under the supervision of the Director and subject to review and determination by the President, shall assemble, revise, reduce, or increase the estimates of the department or establishments as submitted to the bureau." Executive Order of November 8, 1921, in *Report of Director of Bureau of Budget*, December 5, 1921, p. 52.

It has required constant effort to impress upon the minds of bureau chiefs that the budget is an expression of the will of the President, and that it is contrary to law to lobby for an appropriation greater than that presented to Congress.[1] Both Harding and Coolidge have had to speak frankly to the Business Organization on this point.

"I regret," said President Coolidge in June, 1924, "that there are still some officials who apparently feel that the estimates transmitted to the Bureau of the Budget are the estimates which they are authorized to advocate before Committees of the Congress. Let me say here that under the budget and accounting act the only lawful estimates are those which the Chief Executive transmits to the Congress. It is these estimates that call for your loyal support. . . . I herewith serve notice again as Chief Executive that I propose to protect the integrity of my budget."

After an appropriation has been made by Congress, the President, acting through the Bureau of the Budget, exercises constant pressure for economy and for savings. Periodically in recent years the President has announced to the Business Organization that he desired substantial sums to be saved from the annual appropriation, and charged his audience with the responsibility of observing his request. Referring to the expenditures for the fiscal year 1925, President Coolidge said, "I desire that this expenditure program be reduced by $83,000,000. I do not contemplate expenditures for the next fiscal year which will exceed $3,000,000,000, exclusive of the redemption of the public debt. This will give us a surplus at the end of 1925 of $108,000,000. This, or a greater surplus, should be our aim." The means appropriate to this end were found by the departments and the Bureau of the Budget.

Pressure upon the departments for reduction in personnel or for the limitation of an expanding personnel operates through the general injunction in favor of economy, and the authority of the Bureau of the Budget to control the estimates. The Director of the Bureau served notice upon the departments within a month after he assumed his duties that he would not

[1] *Cf.* sec. 206 of the Budget and Accounting Act, 1921. "No estimate or request for an appropriation and no request for an increase in an item of any such estimate or request, and no recommendation as to how the revenue needs of the government should be met, shall be submitted to Congress or any committee thereof by any officer or employee of any department or establishment, unless at the request of either House of Congress."

view with favor any salary increases or perfunctory enlargement of clerical forces.[1]

A profound transformation has been wrought within the federal administration since the work of the Taft Efficiency and Economy Commission in 1912. The Commission found the government operating without plan, without responsibility, without coordination, without administrative leadership.[2] Chiefly by virtue of the machinery established by the Budget and Accounting Act of 1921, the President is now for the first time provided with the essential staff assistance by which he can really impose the broad outlines of his administrative policy. This staff, organized as the Bureau of the Budget, deals authoritatively with the departments and independent establishments; it revises and harmonizes their estimates of expenditure; it pools their routine business operations in order to ensure in every corner of the administrative household a definite minimum of care, the employment of the best methods, the interchange of equipment, and constant thought for the more complete utilization of public resources. This is indeed "the reversal of the administrative habits of a century."

Acting on the suggestion of the Bureau of the Budget, President Harding established in 1921 the so-called Business Organization of the Government of the United States. This body consists of about two thousand of the more important officials in Washington, from the Secretaries of the Departments and the heads of the independent establishments down through bureau chiefs and division chiefs to the chief clerks, in short, the men and women who collectively perform the business activities of the government. The President and the Director of the Bureau of the Budget meet with the Business Organization every six months. The purpose of the meeting is primarily to explain the President's financial policy, to make public the fiscal results of the last six months' operation, and to encourage the officials present to practice economy. The meetings have an importance in part in attempting to build up a sense of solidarity between the chief executive and the operating personnel, in part in directing public attention to the business side of government.

[1] Circular No. 19, August 17, 1921.
[2] See *First Report of Director of Bureau of Budget*, December 5, 1921, for a remarkable indictment of then prevailing business methods.

The meetings are well reported by the press, and the statements of fiscal condition are always important. The gathering serves also as an agency for building up the morale of the service, although it is weak in not affording greater opportunity for the participation of others than the President and the Director of the Bureau of the Budget.

4. Illinois.

Until 1917, Illinois was a classic illustration of the unintelligible muddle into which American state administration had fallen. It exhibited all the faults and vices which led President Taft to remark before the New York Constitutional Convention of 1915,

> The study of the state government, like this of New York, with 150 different commissions spread all over the state, only arouses in me the same feeling that I have with respect to our methods of conducting our courts—profound admiration for the political adaptability of the people to make a machine work that nobody who had any real business sense would think would work under any other conditions. They get along somehow. It costs them double what it might. But so it is.[1]

The report of the Illinois Efficiency and Economy Committee made a complete indictment of the prevailing system. It declared,

> As a result of its investigation, the Committee finds that a condition of disorganization and confusion exists in the executive departments of the state government which necessarily produces inefficiency and waste in the state services. . . .
>
> The main points in the indictment may be briefly summarized: There is unnecessary duplication of positions and salaries; not only in the chief officers of each separate bureau or board, but still more in their staffs of clerks and employees. But this is the smallest part of the loss. The work that is undertaken is not well done; and costs much more for the results obtained than with a more efficient organization. Supplies in many cases are purchased in small quantities for each office or institution, which could be secured at lower prices if purchased in larger quantities on contracts based on competitive bids, as is done by the board of administration for the charitable institutions. The absence of definite correlation and cooperation between the most closely related offices necessarily leads to loss and inefficient work. The only supervision provided by law over most of the executive offices, boards and commissions, burdens the governor with a mass of

[1] *New York State Constitutional Convention (1915), Documents, No. 11,* p. 3.

unnecessary detail which no single individual can effectively handle, and at the same time does not afford him either the time or the facilities for the proper determination of the more important questions of administrative and legislative policy. The present arrangements also fail to provide the General Assembly with adequate information or advice to enable it to perform its work wisely, either in making appropriations or in enacting substantive legislation. And while reports are made and published, they are so numerous and poorly organized that the general public fails to receive satisfactory information of the work that is done, and has no satisfactory means for fixing responsibility, or of discriminating between those officials who perform their work well and those who perform it poorly or not at all.[1]

Although there had been some haphazard consolidation of departments in the years preceding, the legislation of 1917 marked a fundamental reconstruction of the whole structure, and so far as the constitution permitted, established a highly integrated system of administration. Two reforms were instituted to bring this about—the reorganization and consolidation of departments, and the establishment of a far-reaching plan of central financial control. Although neither of these improvements could be wholly effective without the other, the latter reaches deeper into fundamentals than the former.

The Commission on Efficiency and Economy counted over a hundred offices, boards, and commissions, of which more than one-third had been created in the last ten years, employing about 6,000 persons, "most of them substantially independent of each other and subject to no control, except the nominal supervision of the governor." The legislature succeeded in consolidating most of these agencies, excluding the constitutional officers, into nine (now eleven) important departments. The task of the governor therefore became one of dealing with nine fairly homogeneous units in place of over a hundred petty offices.

After the adoption of the Administrative Code early in my administration as governor, every activity of the state government was under the direction of some one of the nine heads of departments. These heads of departments were in effect my cabinet. I had frequent cabinet meetings, which enabled me to keep pretty closely in touch with what was going on in the several departments. In addition to this, I required frequent special reports upon the more important activities of the several departments. Without the organization furnished by the

[1] *Report of the Efficiency and Economy Committee* (1915), pp. 18-19.

Administrative Code, it would have been humanly impossible for me to have exercised any real supervision over most of the activities of the state government. Of course, I made personal inspection of the most important state enterprises. It also happened that if anything went wrong anywhere in the state, someone was likely to make a criticism or a complaint in a letter to me, and I was able, through the organization of the state's business into departments, to promptly ascertain the exact facts. When visiting different parts of the state, as I was compelled to do often, I could by personal inquiries learn something as to how the government agencies were functioning in such localities. The principal means, however, by which I was able to exercise genuine supervision was through my department heads. I had appointed men in whose ability and integrity I had complete confidence, and through them I was able, I think, to exercise real supervision over all the activities of the state government.

Under the old system that was in operation when I became governor, and under which there were more than one hundred and twenty-five independent agencies, it was impossible in any way to exercise anything like effective supervision over the state government.[1]

Before examining specifically the legal authority vested in the director of finance, it is important to view the office in the large. The purpose in the minds of those who created the office was to provide machinery through which the governor as the chief executive could exercise an immediate and direct control over the whole government. This purpose in turn was the by-product of the belief that only by such a concentration of power could an adequate degree of unity and coordination in the administrative services be achieved; and the ultimate goal of efficiency was conceived in part as a function of the unity and coordination of these various divisions. This purpose was sought not only through the establishment of far-reaching financial control, but equally by linking over a hundred scattered authorities into eight great departments and the department of finance. Whether this theory was sound and well conceived, or whether on the other hand it was pushed beyond the limits which are properly to be fixed in the interest of the very efficiency which was sought, is not now in question. For the moment, the necessary thing is to acquire a clear-cut picture of the office itself.

The specific powers vested in the department of finance fall naturally into three groups: one intended to enable the depart-

[1] Letter from Governor Lowden to the writer.

ment to acquire the necessary information on which it can make intelligent decisions; one intended to strengthen the budget-making process; and one intended to vest in the finance department a continuing power of independent review and control of the financial aspects of the process of administration.

In the first group of powers may be noted (1) the power to prescribe and require the installation of a uniform system of bookkeeping, accounting and reporting; (2) to prescribe the forms of accounts, reports and vouchers; (3) the power to supervise and examine accounts and expenditures of the several departments and of every private institution receiving money from the state; and (4) to investigate duplication of work and the efficiency of the administration of departments.

In the second group is found authority to prepare and submit to the governor the biennial budget, in the course of which the budget superintendent sends out estimate blanks, reviews the returns, makes further investigation and organizes the budget.[1] He has the authority to "approve, disapprove, or alter the estimates." These words give the department an effective power to revise estimates on the basis of its judgment concerning the financial situation of the state as a whole and of the needs of any particular service. The only recourse open to a department which suffers from the revision of the director of finance is to make appeal to the governor before final submission of the budget to the legislature and to make a further statement before the appropriation committees of the legislature.

The third group of powers is of greatest interest both on account of their intrinsic importance and their novelty in American fiscal practice.[2] These powers are intended to vest in the hands of the finance department a right of review of administrative decisions involving the expenditure of money. The specific clauses in question vest power (1) to keep summary and controlling accounts; (2) to examine and approve or dis-

[1] *See* Massachusetts Constitutional Convention (1917-19), Bulletin No. 2, *State Budget Systems in the United States;* Pennsylvania State Chamber of Commerce, *State Budget Systems* (1922); Hearings before the Select Committee on the Budget of the House of Representatives on the Establishment of a National Budget System, Supplement: *State Budget Systems*, 66th Congress, 1st Session (1919); F. F. Blachly, "Executive Budget in the Light of Oklahoma's Experience," *Southwestern Political Science Quarterly*, vol. 2, pp. 21-39 (1922).

[2] *Cf.* Henry C. Wright, *Report of an Investigation of the Methods of Fiscal Control of State Institutions* (1911).

approve vouchers, bills, and claims of the several departments; (3) in settling the accounts, to inquire into and make an inspection of articles and materials furnished or work and labor performed, for the purpose of ascertaining that the prices, quality, and amount of such articles or labor are fair, just, and reasonable, and to disallow any excess. In addition it may be noted that each department must prepare and submit to the finance department, before its appropriation becomes available for expenditure, an estimate of the amount required for each activity to be carried on. The approval of the finance department is not specifically required for the proposed allocation of funds, but its authority to disapprove vouchers gives it a means of ensuring that its wishes in the distribution be given consideration.

It does not require deep study to grasp the far-reaching authority vested in the department of finance by these statutory provisions. The powers of the department go far beyond an audit to raise the question of fairness, justice and reasonableness of the financial side of administration; and it is obviously difficult to separate questions of this sort from questions of departmental policy and internal departmental operation. A fair reading of these clauses would seem to indicate that the intent was to establish a continuous review of the whole administrative process in the interest of efficiency. The director of finance therefore becomes something more than a finance officer; he occupies in the law of Illinois a position analogous to that held in the British system by the Treasury.

The Civil Administrative Code specifically authorized the department of finance "to examine and approve or disapprove vouchers, bills, and claims of the several departments, and no voucher, bill or claim of any department shall be allowed without its approval and certificate; in settling the accounts of the departments, to inquire into and make an inspection of articles and materials furnished, or work and labor performed, for the purpose of ascertaining that the prices, quality and amount of such articles or labor are fair, just, and reasonable, and that all the requirements have been complied with, and to reject and disallow any excess."

No cause is assigned in the Code on the basis of which vouchers may be disallowed, but the language used in the following section, "fair, just, and reasonable," has been construed

to vest in the finance department the power to review questions of expediency as well as questions of law arising from the expenditures of other departments and institutions. During Governor Lowden's administration a controversy arose on this issue and was referred to the governor's advisers for opinion. It was said on one side that unless a director of a department, in planning with his division heads for the work under their charge, can depend upon appropriations regularly made by the legislature and approved by the governor, his executive and administrative efficiency are greatly impaired. It was alleged further that when the finance department undertakes to criticize individual decisions of a division or institution, without knowing or being in a position to know the reason for the decision, he transcends his authority.

The opinion given the Governor supported a broad interpretation of the powers of the director of finance. The Code was intended, the opinion held, to embody the idea of supervision of expenditures, review of current business transactions, critical inspection of vouchers and documents, and the determination of the legality and justness of claims against public funds. "As a matter of power, therefore, considered in the abstract, it is my judgment that the director of finance can question the expediency or propriety of any expenditure. But power is not always coupled with right. It is to be presumed that in the exercise of this vast power the director will be guided by prudence, moderation, zeal for successful, efficient and harmonious administration, as well as by a consideration of the express powers vested in other departments." [1]

At first the drastic powers hereby vested were energetically employed and much irritation resulted on both sides; more recently a *modus vivendi* seems to have been established. The sections under consideration seem to transfer final power of decision in any expenditure of money from the division concerned to the department of finance. All vouchers pass through the office of the finance department before payment, and while in many cases the expenditure has already been made or the contract completed, thus making it difficult to control that particular transaction, the director of finance can nevertheless serve notice that future expenditures of the sort are not in his judgment fair,

[1] Compare *State vs. Herrick*, 140 N. E. 314, cited below.

just, or reasonable, and will therefore be disallowed. During Governor Lowden's administration, all requisitions for supplies were submitted to the finance department for approval prior to actual purchase. It must be kept in mind that the director of finance acts on behalf of the governor, and that any important decisions would become the decisions of the governor by appeal. Thus the governor may undertake a general policy of retrenchment and issue orders that not more than eighty per cent of the appropriation to each department may be expended. The machinery of the Illinois Code makes such an order easily enforcible. Or in order to prevent deficits each division may be required to hold ten per cent of its appropriation in reserve until the last month or months of the fiscal period. Other reasons may be responsible for this sort of executive control.

The first director of finance outlined the operations of the department in his annual report:

> It develops as a matter of common sense rather than law that the other departments consult the department of finance before undertaking any unusual matters having to do with these expenditures.
>
> Weekly meetings of the directors have been held and have served to bring out questions of financial policy. In many cases where the director of finance has ruled on a subject it has been necessary for him to make thorough investigations of the matter in question and all affairs relating to it. These investigations may have ranged from the quality of goods that were supplied in connection with a small bill, to the effects of a given policy of far reaching consequence.
>
> The scope of the department of finance in its powers to conduct investigations is most thorough. Nearly everything done by any department finally comes as an expense to be passed on by the director of finance. Thus it will be seen that systematic and thorough investigations are often necessary to put the department of finance in possession of facts essential to an equitable decision.[1]

Space forbids further elaboration of this description.[2] It is clear that Illinois has taken long strides toward making the "supreme executive power" a reality. For the director of finance, like the other directors and their immediate assistants, are appointed by the governor, who may remove them substantially at will.[3] The broad decisions therefore are those of the chief

[1] *First Annual Report, Department of Finance* (1917-18).
[2] See references at end of this section.
[3] The power of the Senate to confirm appointments is never used in Illinois to block the Governor's selections.

executive; the control of the spending departments is control by the governor; the practical limits drawn either against the spending departments or the finance department are the limits set by the governor.

By other sections of the Illinois statutes, the freedom of departments and institutions in making purchases and in securing printing is curtailed. Travel outside the state is subject to approval by the governor and cannot be authorized by a department head alone. There is an audit of all expenditures by the state auditor, who is an independent constitutional officer. The civil service commission is intended to secure a properly trained personnel for the departments, the heads of which have the customary choice from among the three leading candidates.

At this point brief attention may be directed to the fact that the discretion of a public official is vitally affected by the character of the appropriation act. If this is highly itemized, the bureau chief or a finance official can do little except follow legislative prescriptions as enforced by the auditor. If the appropriation is in a lump sum, discretion vests in some official as to its use; and the Illinois Code tends to place this discretion in the hands of the finance director, acting on behalf of the governor. But the initiative in making expenditures still rests, it is important to observe, with the department. In the hands of an aggressive director of finance, the power of veto might readily shade over into a power of initiative. It is unlikely that this integration of initiative will take place on any considerable scale, but it may develop here and there.

Another related point deals with the character of contingent funds. To the extent that a contingent fund is appropriated to a department, there is a primary discretion vested in its head as to its use. An interesting evolution in Illinois has tended to diminish the number and importance of department contingent funds, which are being partially replaced by contingent funds to be administered by the governor and finance department. In Massachusetts there is only a governor's contingent fund.

In conclusion it may be said that the Illinois plan goes on the basis of three principles: (1) an independent review of all important administrative decisions; (2) continuous and permanent

study of organization and efficiency; (3) responsibility for expenditures vested in the director of finance, acting on behalf of the governor.[1]

5. Massachusetts.

The movement toward integrating the state administration of Massachusetts has resulted in the creation of machinery which at first sight would not seem to be conducive to enlarging the authority of the governor. The progress of events, however, illustrates in this as in many other instances how dangerous it is to draw conclusions from legal definitions alone, and how necessary it is to examine and weigh the influence of personalities, the force of tradition, and the consequences of the spirit or trend of the times. Under somewhat different forms, Massachusetts has developed a degree of integration the outcome of which is substantially the same as in Illinois.

[1] *Bibliography.* Laws of Illinois, 1917, p. 2, *Civil Administration Code;* Laws of 1919, p. 946, *State Finance Act; Illinois Efficiency and Economy Committee Report,* 1915; Frank O. Lowden, "Problems of Civil Administration," *North American Review,* vol. 210, pp. 186-92 (1919); F. O. Lowden, "Executive Responsibility in Illinois," *Proceedings of the Academy of Political Science,* vol. 8, pp. 1-6; F. O. Lowden, "Reorganization in Illinois and its Results," *Annals,* vol. 113, pp. 155-60; U. S. House of Representatives: Select Committee on the Budget, *Hearings on the Establishment of a National Budget System, 66th Congress, first session,* pp. 3-33, testimony of Governor Lowden; pp. 33-47, statement of Omar H. Wright; Department of Finance, *Annual Report,* 1917-18 to date; *ibid., Bulletins* 1-5; *ibid., First, Second, Third* and *Fourth Budgets.*

Omar H. Wright, "Development of the Budget in Illinois," *Proceedings Academy of Political Science,* vol. 8, pp. 64-68 (1918); Charles E. Woodward, "The Illinois Civil Administrative Code," *Proceedings of the Academy of Political Science,* vol. 8, pp. 7-17 (1918); Walter F. and Sue H. Dodd, *Government in Illinois,* ch. VIII; Walter F. Dodd, "State Reorganizations and the Federal Problem," *Proceedings of the Academy of Political Science,* vol. 9, pp. 472-81; Walter F. Dodd, "Reorganizing State Government, *Annals,* vol. 113, pp. 161-72; Henry C. Wright, *A Valuation of a System for the Administration of State Institutions through One Man Control as Operated in Illinois,* published by N. Y. State Charities Aid Association (1922); Leonard D. White, "The Status of Scientific Research in Illinois," *Bulletin No. 29 of the National Research Council;* F. A. Cleveland and E. A. Buck, *The Budget and Responsible Government,* pp. 148-64 (1920); Leonard P. Fox, *State Budget Systems,* pp. 94-95, published by Pennsylvania State Chamber of Commerce; Harry A. Barth, *Financial Control in the States, with emphasis on Control by the Governor* (1923); A. E. Buck, "Administrative Consolidation in State Governments," *National Municipal Review,* vol. 8, p. 637, Supplement.

Raymond Moley, "State Movement for Efficiency and Economy," *Municipal Research,* no. 90; Fred W. Powell, "Recent Movement for State Budget Reform," *Municipal Research,* No. 91; H. B. Hemenway, "Organization of the State Executive in Illinois," *Illinois Law Review,* vol. 6, pp. 112-24; John A. Fairlie, "Illinois Administrative Code," *American Political Science Review,* vol. 11, pp. 310-15 (1917); John A. Fairlie, "Budget Methods in Illinois," *Annals,* vol. 62, pp. 85-90; John A. Fairlie, "Governmental Reorganization in Illinois," *American Political Science Review,* vol. 9, pp. 252-57 (1915); F. H. Bell, "The Illinois Budget," *Annals,* vol. 62, pp. 73-84.

For many years central control in Massachusetts seemed likely to remain in the state legislature rather than to pass to the executive; but the change in the political situation in 1916 which restored the Republican party to complete power and the work of the Constitutional Convention in 1918 combined to establish a very broad executive control, which is now operating through the agency of the Commission on Administration and Finance.[1]

Two important events occurred in 1918 to emphasize this tendency, one, the enactment of a budget law by the General Court, establishing the principle of executive leadership and responsibility in financial matters; the other, the approval of a constitutional amendment to the same purpose.[2] The statute required every officer and board to submit annually to the supervisor of administration statements showing the amounts appropriated for the current fiscal year, and estimates of the amount required for the ensuing fiscal year. "The supervisor of administration shall study and review all estimates and requests for appropriations and shall make such investigations as may be necessary to enable him to prepare a budget for the governor, setting forth such recommendations as the governor shall determine upon." The budget was required to contain in detail definite recommendations of the governor relative to the amounts which should be appropriated.

In 1919 the legislature passed an important act which consolidated over two hundred government offices into twenty departments, plus several which were attached directly to the governor's office.[3] This legislation brought into play the principle of subordination of small offices to a large department and greatly simplified the process of administering the budget and other phases of central control. In contrast with similar statutes in other states, the Agricultural College at Amherst was made a part of the department of education.[4]

The present controlling machinery is the product of a statute

[1] The legislature, however, still plays an important rôle in making appropriations, and leadership in budget affairs is shared by the governor and the Joint Ways and Means Committee. The best exposition of the financial policy of the state is still to be found in the budget speech of the chairman of the House Ways and Means Committee.

[2] Laws of 1918, ch. 244; Amendment 63.

[3] Laws of 1919, ch. 350.

[4] The history of the Massachusetts budget is ably developed by Luther H. Gulick, *The Evolution of the Budget in Massachusetts* (1920).

enacted in 1922.[1] This law established the Commission on Administration and Finance, a body consisting of four members appointed by the governor and council for terms of four years, one retiring annually. As the governor's term is two years, no executive can be sure of control of the commission during his first term; a tradition of one re-election for the governor, however, prevails in Massachusetts, and to date the commission has been thoroughly in sympathy with the financial plans of the governor. The commission is organized into three bureaus, a comptroller's bureau, a budget bureau, and a purchasing bureau, and includes a division of personnel and standardization. When the commission acts as a board, each commissioner has an equal voice; in case of a tie vote, the board calls upon the governor to decide the issue. Practically all elements of the present Massachusetts system of financial control now center in this commission, to wit: accounting control; budget making; purchasing; control of printing; control of out-of-state travel; and determination of questions of personnel. Its importance is therefore obvious. Brief attention only can be given to the development of some phases of this central control.

Prior to 1916 the supervisor of accounts in the auditor's office was authorized to inquire into the methods used in purchasing supplies and to recommend changes to the auditor. This power does not seem to have been used effectively; and in 1916 it was transferred to the newly created office of supervisor of administration. The supervisor was authorized, after a hearing, and with the consent of the governor and council, to make rules and regulations governing the purchase of stores. For the next three years, study of purchasing methods was carried on which resulted in a recommendation for central purchasing of office furniture, equipment, supplies and stationery.[2] This recommendation was adopted in 1919 and made a part of the reorganization act of that year.[3] Complete centralization of purchasing has not, however, been accomplished.

Some degree of supervision over printing was found as early as 1902. In that year a board of publication was created "to

[1] Laws of 1922, ch. 545. An able summary of this legislation may be read in Morris G. Lambie, "Administrative Control in the Commonwealth of Massachusetts," *Annals*, vol. 113, pp. 94-105 (1924).
[2] House Document 1378, 1919.
[3] Laws 1919, ch. 350, sec. 17-23.

examine the annual reports and all special reports and other documents issued by the Commonwealth and to define the form and content thereof." Any special reports were allowed to be published if deemed by the board of publication "to be of practical utility." An appeal to the governor and council was allowed.[1] In 1916 the power of the board of publication was transferred to the supervisor of administration, and in 1922 to the commission on administration and finance. Discussion of the operation of printing control will be found below.

In 1916 a special committee of the governor's council commenced a study of the salary problem in Massachusetts, assisted by the supervisor of administration. Subsequently a standardized salary scale was established for all positions in the state service, and its administration was given to the supervisor of administration, later the director of the personnel division of the commission on administration and finance. The control over personnel has since extended to include not only the determination of salary levels and the assignment of specific positions to their appropriate grade but also the power to approve the filling of every vacancy and the establishment of every new position. No new position can be created and no vacancy filled without the prior approval of the commission. This authority is intended to guard against the retention of unnecessary employees, but it is obvious that it also furnishes a means by which the expansion of a division can be influenced and the special lines of development largely controlled.

There is no general authority in Massachusetts comparable to that found in Illinois, to review current vouchers to determine whether expenditures are fair, just, and reasonable. Substantially the same result is, however, attained through the control of the commission on administration and finance over salaries, the filling of vacancies, purchasing and printing. It will be unnecessary to deal in detail with any of these topics, but a few paragraphs will be devoted to the control of personnel, which is more highly developed in Massachusetts than elsewhere, and to the control of printing.

[1] Laws 1902, ch. 438. The general statutes of 1860 authorized the secretary of the Commonwealth, with the advice and consent of the governor and council, to omit all unnecessary and improper portions of departmental reports, but this power does not appear to have been effective; *see* General Statutes 1860, ch. 4, sec. 2.

The procedure established in 1918 for making an appointment or promotion, either to fill a vacancy or to create a new position, originates with an application to the commission of administration and finance by the appointing official, containing the title of the position, the classification, the name of the previous incumbent and the need, if a new position is created, citation of statute and the proposed salary rate. The commission, acting through the proper official, makes an investigation of the need for the position, the correctness of the classification, and the availability of funds. If the requisition is approved by the commission, it is forwarded to the civil service commission, which certifies the name of eligibles to the department. An appeal from the findings of the commission on administration and finance lies to the governor and council. This procedure gives the commission, subject to appeal, a veto on new appointments and promotions in all branches of the state service, even though an appropriation may be available. The State Agricultural College has complained severely about the practical effect of this situation. The college authorities allege that the control of personnel has seriously affected the policy of the institution.

Although a matter of secondary importance, the control of printing by a specialized editorial board of officials illustrates the process of integration very clearly and in Massachusetts particularly has given rise to a lively controversy between the commission on administration and finance and certain scientific agencies and institutions. The first report of the commission on administration and finance (1923) reveals a vigorous intention to eliminate as much printing as possible.

> For six years departmental reports and certain other publications of the public document series have been edited. During the last year, editing has been extended to include everything offered for printing. Each document is first read to determine whether printing is justified. In the past the state has printed an enormous quantity of unnecessary matter. The commissioner has adopted the general rule that state printing should be limited to documents required by law and those others which it is the duty of the state to print. In accordance with this policy, the publication of many documents has been refused, subject to the right of appeal to the governor and council.[1]
>
> If it is decided that the document should be published it is read again to exclude any matter irrelevant and unnecessary. Annual reports

[1] The exact number is not given.

of many departments had become voluminous, the authors failing to realize that a brief report is more likely to be read.[1]

In addition to editing, the commission on administration and finance also determines the form of publication, the quantity to be printed, and the kind of paper to be used. The results of this supervision are given by the commission as follows:

TABLE

Cost of miscellaneous printing and paper in 1922	$607,748
Cost of miscellaneous printing and paper in 1923	406,278
Decrease	$201,475

There can be no doubt that in Massachusetts, as in other states, a very large amount of unnecessary and extravagant printing has been done. The demand for governmental saving has very properly insisted upon more care in the amount and character of state printing.[2]

The chief issue involved in the printing situation turns on the advisability of allowing the commission on administration and finance power to deny *in toto* the right of publication of a contribution approved by a bureau or institution and by the department of which it is a part. In law it is clear that the commission possesses this power, and in fact it has used the power in cases which have produced irritation and dismay in the minds of scientists responsible for certain branches of scientific inquiry.[3]

[1] Public Document 140, pp. 5-7, 1923.

[2] Compare Citizens Committee on the Finances of Pennsylvania, *A Survey of the Fiscal Policies of the Department of Public Printing and Binding of Pennsylvania.* (1922.)

[3] *Bibliography.* Commission on Economy and Efficiency, *Annual and Special Reports*, 1913-1916, especially "*Functions, Organization and Administration of the Departments in the Executive Branch of the State Government*," 1914. (For a full list of its publications, see G. A. Weber, *Organized Efforts for the Improvement of Methods of Administration in the United States*, pp. 122-25); Supervisor of Administration, *Annual and Special Reports*, 1916-22; Commission on Administration and Finance, *Annual Report*, 1923, *et seq.*; Joint Special Committee on Finance and Budget Procedure, *Report on State Finances and the Budget*, House Document 1885, 1918; Commission on State Administration and Expenditures, *Report on State Administration and Expenditures*, House Document 800, 1922; *Annual Budget Speech* of Chairman of House Ways and Means Committee; *Annual Budgets*, 1918-26, inclusive; Special Committee on the Executive Council, *Report on the Standardization of Salaries in the State Service*, House Document 1175, 1918.

Luther H. Gulick, *The Development of the Budget in Massachusetts;* F. A. Cleveland and E. A. Buck, *The Budget and Responsible Government*, ch. 11; M. B. Lambie, "Administrative Control in the Commonwealth of

6. The Movement for Integration in City Government.

Faith in the principle of checks and balances and fear of strong executives have been responsible for some remarkable inventions in the structure of American municipal administration. One of the most interesting relics of a bygone age is the government of Worcester, Massachusetts.[1] The mayor, elected for one year, is directed to secure "an honest, efficient, and economical conduct of the executive and administrative business of the city, and the harmonious and concerted action of the different administrative and executive departments." But the bicameral council elects, annually, the city treasurer, collector of taxes, solicitor, auditor, messenger, engineer, street commissioner, superintendent of sewers, superintendent of lighting streets, water commissioner, water registrar, superintendent and assistant superintendent of public buildings, tax assessors, overseers of the poor, cemetery commissioners, and chief engineer, deputy and two assistant engineers in the fire department. The charter boldly gives the mayor power to appoint other officials, subject to confirmation by the board of aldermen.

This type of charter, loaded down with provisions making unity and effective leadership impossible, has nearly disappeared. The commission plan swept much débris of a naïve and simple age into the discard, substituting a relatively simple and effective mechanism. The number of departments was reduced to five or seven, the principle of subordination of small units to large departments was perforce accepted, some coordination was provided in the commission itself. Compared with what had preceded it, the commission plan was a vast improvement, especially as better budget and accounting methods kept pace with improved forms of organization.

But the commission plan, which for some years seemed destined to sweep all before it, did not satisfy the demands for administrative unity and responsibility. Politics and administration were inextricably confused, administrative unity and harmony were lacking, and difficulty was experienced in building up a

Massachusetts," *Annals*, vol. 113, 94-105; E. H. Maling, "Financial Administration of the Commonwealth of Massachusetts," *Annals*, vol. 62, pp. 102-12; a valuable unpublished manuscript by Professor John M. Gaus, *The New Problem of Administration, illustrated by the Commonwealth of Massachusetts;* Massachusetts Constitutional Convention (1917-19), *Bulletin No. 3*, "The Abolition of the Governor's Council."

[1] *Charter, Laws, and Ordinances of the City of Worcester*, 1911.

permanent staff of experts.[1] The last response to the demand for simplicity and unity in municipal administration is the city manager plan, which has pushed the policy of integration to its logical limit.

The outlines of this type are familiar. All administrative responsibility is concentrated in the hands of the city manager, an official selected by the council or commission usually for an indefinite period and without restrictions requiring local residence. He appoints all heads of departments, who in turn select their immediate subordinates, without confirmation by the council. Other officials and employees are selected for the most part by merit. The manager may remove any of his appointees, often at will. They in turn are given complete responsibility for their department. The budget is usually drawn up in the first instance by the manager, who has wide authority to control expenditures after an appropriation is made. Coordination arises naturally through the close personal touch which the manager can maintain with each department.

The city manager plan, writes Anderson, "stresses the expert and professional phases of municipal administration, giving the manager himself every inducement to hire competent department heads." . . . It gives "the opportunity to command a better trained, more unified and more responsible administrative organization than is possible under the commission plan, the strong-mayor plan, or any other plan of organization in American cities. . . . It combines the common sense and local political wisdom of the amateur representatives in the council with the training and skill of the permanent experts in the administration. . . ." [2]

The city manager type of municipal administration probably is leading the way toward the general acceptance of the principles of integration, unity, and responsibility in all levels of government. The day cannot be far distant when the larger county governments will be forced into conformity with demonstrated standards of accomplishment afforded by the city manager group.[3] The course of evolution in the state administration

[1] Victor Rosewater, "Omaha's Experience with the Commission Plan," *National Municipal Review*, vol. 10, pp. 281-86 (1921).

[2] William Anderson, *American City Government*, pp. 331-33 (1925). Consult chapter 13 of this admirable book for further light on this problem.

[3] Richard S. Childs, "*The County Manager Plan*," a pamphlet issued by the National Municipal League.

cannot be easily foretold, but it is likely that the prevailing tendencies may eventuate in something like a state manager. The director of the bureau of the budget in the federal government bids fair to perform a similar service for the national administration.[1]

7. Summary.

The key to the systems of administration described in this chapter is to be found in the theory that honest, efficient and responsible government will best be secured by concentrating substantial authority in the office of chief executive, and by establishing administrative machinery subject to his supervision which can make this authority effective.

The general pattern of the administrative system which is resulting from this theory is the same in municipal, state, and federal governments. It is bringing about in the first instance a direct expansion of the administrative powers of the chief executive, especially in local and state governments. He appoints more officials, and more commonly without the consent of the coordinate legislative body. He removes these officials, without the restraints which were formerly imposed upon him. He is enabled by reorganization of departments to meet personally at regular and frequent intervals with the heads of all the services.

The indirect expansion of the influence of the chief executive through staff officials who handle the details of financial control is, however, probably of equal importance. The demands made upon the time of any chief executive are so great that the remnant left for immediate supervision of the administration is likely to be small indeed. Real executive leadership demands a capable staff to prepare plans for the chief executive, to see that his program is enforced, and to supply the constant scrutiny and

[1] The classic example of disintegrated administration is of course the American county. Its form of government may be studied in H. S. Gilbertson, *The County, the Dark Continent of American Politics* (1917); Herman G. James, *Local Government in the United States* (1921); John A. Fairlie, *Local Government in Counties, Towns and Villages* (1906); Chester C. Maxey, *County Administration* (1919); County Government, *Annals*, vol. 47 (1913); Kirk H. Porter, *County and Township Government in the United States* (1922); New York Constitutional Convention, 1915, *County Government;* and currently in the *National Municipal Review*. Cook County, Illinois, has developed a certain amount of leadership in the office of President of the County Board; a few counties have a manager. These are by way of exception. The unification of educational administration in the person of the superintendent of schools offers an interesting contrast.

criticism which efficiency in the public service requires. Such a staff is already in process of formation in each of the jurisdictions noted.

The powers of this staff are chiefly financial. They prepare the annual or biennial budget, and are endowed with adequate power to coordinate the work programs of the several departments by revising and reducing the original estimates. They deal with appropriation committees of the legislative bodies, with the assistance of representatives of the departments concerned. In Illinois and Ohio the appropriation when enacted by the General Assembly does not become effective until plans of expenditure are submitted and approved by the finance officers. By one mechanism or another, means are found to supervise the expenditure of the appropriations throughout the year, and to criticize the reasonableness and expediency of disbursements.

In addition to this newer type of control, there has been from the foundation of our governments a review of expenditures to determine the accuracy of accounts and the legality of payments, a function discharged by the auditor or comptroller.

For a long time there has been a tendency toward the establishment of certain subsidiary services, intended chiefly to secure the benefits of specialization by charging one office or bureau with the provision of a certain service for all operating departments. These subsidiary services include principally selection of personnel (which had of course other reasons for coming into existence), purchasing, supply of printing, construction of buildings, and engineering services. These specialized services were not originally intended in any way as mechanisms of control. Thus if a department requisitioned forty desks and chairs, it was no business of the purchasing department to wonder why; its business was exclusively to purchase the desks at the least expense and with the least delay.

Recent developments have indicated that these subsidiary services are being transformed into a part of the mechanism of control. In Illinois they are not found within the finance department, but the departmental requisitions and requests for their services are routed through the finance department, which attaches its approval. In Massachusetts the subsidiary services are a part of the commission on administration and finance.

In the federal government they are dominated by the federal coordinators who are essentially agents of the Bureau of the Budget. In Great Britain they are controlled by the Treasury. Students of administration need a careful and systematic study of this transformation of the subsidiary services into engines of control and supervision, as well as some evaluation of their actual operation.

The net result of the evolution of the last fifteen years has been a pronounced enhancement of the leadership of the chief executive in matters of administration. It is probable that the historian of this century will point to the ten years commencing with the World War as witnessing the sudden precipitation and crystallization of a movement which had been slowly and quietly developing, and which sought to transform the traditional slip-shod methods of conducting public business by fastening the responsibility for administration upon the chief executive. But although there is now a general acquiescence in the wisdom of this decision, the critics have not failed to make themselves heard.[1]

[1] Of historical interest in Leonard A. Blue, "Recent Tendencies in State Administration," *Annals*, vol. 18, pp. 434-45 (1901). For other literature on the subject of integration by fiscal and other means, consult George S. Call, "Fiscal Control of State Expenditures," *Annals*, vol. 113, pp. 75-84 (1924); Frederick F. Blachly, "Fiscal Control in Oklahoma," *ibid.*, pp. 84-93; R. E. Miles, "Fiscal Control in Ohio," *ibid.*, pp. 105-11; Francis B. Haas, "Supervision of the Budgets of State Educational Institutions," *ibid.*, pp. 112-19; Clement W. Hunt, "Developing Budgetary Control in Relation to the State Institutions of Pennsylvania," *ibid.*, pp. 120-28; P. G. Andrew, "Results of Standardization of Supplies," *ibid.*, pp. 269-71; Russel Forbes, "Centralized Purchasing in Governments of United States and Canada," *ibid.*, pp. 272-86.

CHAPTER SIX

THE LIMITS OF INTEGRATION

Mr. Taft: "That kind of independence of the executive, with a division into a hydra-headed beast for the consumption of the money of the people is sure to increase the expense."

Mr. Tanner: "Is that on the theory that each of these departments has its own overhead expense?"

Mr. Taft: "Yes; not only that, but that each of the departments is independent in its action and not responsible to the governor or anybody else for efficiency and economy in its conduct; and each bureau, under those conditions, is bound to think that its function is the most important in the state. . . ."

Mr. Tanner: "Well, what is the remedy you suggest, making fewer departments under which these bureaus can be grouped?"

Mr. Taft: "Of course. I would reduce them and then I would put them all under the governor, or under somebody that should have the power. The only way you can run a government efficiently and economically is to have the responsibility on someone as to the total expenditure."

New York Constitutional Convention Proceedings.

There have been few systematic defenses or criticisms of the type of administrative organization described in the preceding chapter. The attacks on the old system were vigorous and keen, but the task of the critics was so obvious that they have never been forced to examine carefully the propositions on which their constructive recommendations rested. Debates in constitutional conventions have been discursive and usually badly informed; the reports of the efficiency and economy commissions are better in their criticisms than in their inductions; and the hearings before congressional committees seldom produce a thoughtful systematic discussion. By reading between the lines, and sifting some kernels of wheat from the many piles of chaff which have accumulated since 1910, it is possible to state the leading arguments for and against the general movement toward integration and to disengage some of the issues. The following pages are devoted to this purpose, presenting some significant statements made by courts and administrators in dealing with the

problem, and suggesting tentatively the proper rôle of the chief executive and the agents of fiscal control.

1. The Pro and Con of Integration.

The advocates of a high degree of administrative integration assert as their leading proposition the need for the complete renovation of the government if it is to fulfill adequately the tasks thrust upon it by modern conditions.

They declare that the outstanding faults to be cured are the ludicrous over-multiplication of administrative agencies and their excessive independence of any control, the almost complete lack of correlation between bureaus having in fact an obvious connection, the confusion if not the destruction of responsibility, the absence of any comprehensive fiscal policy, the non-existence of safeguards against bad business practice, the loss of any incentive toward improvement of administrative habits, which they refer to as "the stagnation of the service," the absence of effective leadership either within or without the service, and the insufficiency of proper information to enable either citizens or public officials to offer plans for improvement. All this, they maintain, is reflected in the astounding waste and extravagance of departments, in the incompetency of employees of the state, and in a general distrust of the capacity and of the right intentions of the administrative services.[1]

These critics are quick to offer a remedy. They stand for concentration of responsibility, for drastic reduction in the number of administrative units, for effective correlation of the minimum number, for a single fiscal policy which shall reveal a coordinated work program, and for general unity of leadership. The specific mechanisms which are being worked out to effectuate these ends are the enlargement of the power of governors and municipal executives to appoint, remove, and supervise their official family, to create a hierarchy where "chaos" was formerly the rule, and above all, to develop through an adequate staff the elements of budget making and fiscal control.[2]

[1] *See* New York Reconstruction Commission, *Report*, pp. 4-5 (1919).

[2] An illuminating study of tax administration opens with the following paragraph:

"Assume that a big corporation is given a monopoly of the peach marketing business of the State of Georgia. The first thing done is to divide the management into four entirely independent and unrelated divisions for the purpose of carrying on the central administrative duties. None of these

The opponents of present tendencies minimize the importance, rather than dispute the existence, of the charges filed in the foregoing bill of particulars. They speak warmly of the undoubted achievements of the American people under their present form of government and incline to the view that the great upheaval caused by the war is the root of present difficulties, urging that we make haste slowly in discarding what the "Fathers" wrought.

They sharply criticize in turn the proposals of executive leadership in administration. They assert that it creates a "dangerous" power in the new office of the chief executive, and fear that it will have for its only outcome the formation of impregnable political machines. The spoils system, they contend, formerly barred from some of the independent commissions, now will spread unchecked throughout the length and breadth of the system whenever a spoilsman chances to become chief executive. The operation of the scheme of fiscal control will destroy the responsibility of departments, whose every decision will be liable to review by an outside authority. Worse yet, that authority cannot be expected to be adequately informed concerning the purposes and methods of all the branches of the administration, and no sooner does he acquire some grasp of its many phases than he retires with the executive to make way for an ignorant newcomer. Still worse, the problems which come up for adjudication will be decided not on the basis of the technical or moral issues involved, but on the basis of a "business" judgment, leaning always in favor of not spending an appropriation. So far may this go that even the intent of the legislature, evidenced by providing an appropriation for an approved service, may be overruled by some fiscal agent.

Such a scheme, say these critics, cannot fail to destroy the initiative of officials in charge of the public offices. There will

departments is responsible to any of the others or to anyone else. The second thing is to provide twelve or fifteen other central agencies, entirely unrelated to each other or to any of the original four, for the purpose of gathering the peaches from the out-of-the-way sections of the state. The third accomplishment is to divide the work of a purely local character among something like one hundred sixty local offices entirely unrelated to each other and practically unrelated to any of the central offices, and so having no responsibility to anyone save the local customers. With this machinery thoroughly organized—or should one say disorganized?—the great peach monopoly is ready to do business on a grand scale." James W. Martin, "Tax Administration in Georgia," *Bulletin of the National Tax Association*, April, 1925, p. 208.

be necessarily abrupt changes of policy, certainly whenever there is a change of party control, and probably whenever there is a change of administrative control. The multiplication of supervising agencies increases red tape, delays the progress of work, and hampers the operations of every department by increasing the number of reports to be made and forms to be filled, as well as by interfering with the decisions of the department on technical questions. Moreover, the present tendency, it is said, tends to build up overgrown departments, without any real internal unity, the parts of which cannot cooperate effectively, in order to establish a plan which corresponds to erroneously conceived first principles. In addition, with really capable men, a marked degree of integration is unnecessary.

Finally the whole program of integration is declared unnecessary.

It is unnecessary, say its opponents, because the real purposes of administrative organization are misunderstood. In reality they are to secure continuity of policy and program, to ensure the real responsibility of the department for the conduct of its business, to make the best possible utilization of the expert, to encourage and develop the initiative of officials and employees in every corner of the service, and to maintain close contact of the government with the governed.

These purposes are not served, it is declared, by abdicating in favor of a one-man executive. They are more nearly served by a different type of administrative mechanism, in which departments are kept small in size and homogeneous, even at the expense of increasing their number, in which each unit is substantially autonomous, and directed by a commission whose members have rotating terms so arranged that no governor can control it. The necessary amount of correlation may be best secured through a general executive board, of which the governor should be a member, and through the careful supervision of the legislature.[1]

[1] No single group of students would accept the foregoing without many qualifications, but in general it may be said that the present Wisconsin state government and a proposed reorganization of the Minnesota state government follow these general principles, which are advocated moreover by students and observers at Ohio State University and the Ohio Institute for Public Efficiency. *See* for the two points of view, J. M. Mathews, "State Administrative Reorganization," *Am. Pol. Sci. Rev.*, vol. 16, pp. 387-98 (1922); and F. W. Coker, "Dogmas of Administrative Reform," *ibid.*, vol. 16, pp. 399-411.

2. The Issues.

This summary sketch of the arguments advanced by the advocates and the opponents of integration may serve as an introduction to an equally summary discussion of some of the leading issues which divide the two camps. The fact should be stressed at the beginning that there is very little tested evidence to bring to bear on either side of the question, which is still argued chiefly from the standpoint of what "must" occur, given "human nature" as it is. One of the important problems demanding the attention of students of administration is to assemble the evidence and sift out whatever conclusions may appear to be warranted. The following pages are written chiefly to indicate some of the issues, with no expectation of giving an answer to the problems they raise, with full realization that the truth lies probably somewhere between the two extremes of opinion, and with the full recognition of the fact that there is no one solution valid for all times and circumstances.

(*1*). *Reorganization of departments.* Willoughby asserts that there is no gain in the mere grouping of services into a relatively small number of departments, and refers to the positive disadvantage which results from associating services which have no real working relation to each other.[1]

"The only case where such superior control is needed, or can be justified, is where there are a number of services whose operations fall within the same general field and where, consequently, it is necessary that there should be some superior authority to see that they work in harmonious relations with each other, that duplication of work is avoided, conflicts or overlapping of jurisdiction prevented, and administrative practices, so far as is feasible, standardized." The zeal for reduction in the number of units has undoubtedly created departments which have little or no internal unity. The department of registration and education in Illinois is a good illustration. Consolidation of departments may easily overreach itself also by imposing an impossible burden of supervision on the higher departmental officials. This is particularly true if the work of the associated bureaus is not functionally related.

But, on the other hand, there is certainly a compelling neces-

[1] W. F. Willoughby, *Reorganization of the Administrative Branch of the National Government*, p. 10 (1923).

sity for reducing the number of departments to a minimum. The principle which is thought to apply here is that the number of departments should not exceed the number of persons who can confer informally and thoughtfully. The successful conduct of administration depends greatly upon successful conference (1) between the chief executive and his department heads, (2) between the department heads and their subordinates. Graham Wallas has suggested that nine is the maximum number of persons who can confer readily. It is one of the great merits of the Illinois Civil Code that the bulk of the state's business was consolidated into nine (now eleven) departments because conference for the first time in recent years became possible.

Connected with this point is the problem of creating departments governed by a single executive, or by a board. The tendency has been growing strongly in favor of the single executive, although it is usually recognized that where work of a quasi-legislative or quasi-judicial character is involved, it is advisable to ensure deliberation. Thus utility commissions are invariably composed of three or more officials, so usually tax commissions, civil service commissions, and boards of equalization. But some believe that in the conduct of the more strictly "administrative" tasks, there is value in the board. Thus Coker, "First, in the matter of the single-headed administrative department, is it true that for all such departments unity of power and responsibility is of more importance than continuity of policy and the maintenance of relations of mutual respect and confidence between head and staff?" [1] Many students of public welfare administration are convinced that the commission has compelling advantages, especially because it tends to ensure that "business" principles will not shackle the essential professional care of dependents and delinquents.

A very promising combination of the two forms of organization is now in force in many states, by which the strictly executive functions of a given service are vested in the hands of one official, while the duties of planning and supervising, the rule-making power, and the quasi-judicial power are vested in a board, the two being closely associated.[2]

[1] F. W. Coker, *op. cit.*, p. 409.

[2] *See* for a notable illustration the New York State Board of Health, and also the Massachusetts Civil Service Commission; J. M. Mathews, *American State Government*, pp. 265-68 gives an excellent summary of the matter.

(2). *Competence of controlling officials.* "A short-sighted and ill-spirited use of even moderate authority may create an intolerable situation; and if experience demonstrates that the state cannot secure men of vision and sympathy as well as men of firmness and sound judgment to sit in these key positions, a complete reconsideration of the system of control will be necessary." The success or failure of systems of central financial control depends vitally upon the competence and the good faith of the men who wield the enormous power created by this new machinery. What can be said of the men who have sat in the judgment seat?

In Illinois, the first director of finance was a banker in a small Illinois city, a man of undoubted integrity, high courage and tenacity. He was said to be well qualified for the difficult position which he occupied, but became "rather set in his ways." Associated with him were two well trained accountants, and as superintendent of the budget a former employee of the charities commission. These men worked conscientiously and sincerely and succeeded during Governor Lowden's administration in "making" the new office. The superintendent of reports is said to have been a political appointee without proper qualifications. None of these officials were carried over from Governor Lowden's administration. The present group of officials is said to be primarily political in character.

In Massachusetts a well known business man was appointed as first chairman of the commission on administration and finance. A younger business man with experience in purchasing was selected as purchasing agent, while the former supervisor of administration, who is said to have been active in state politics, became director of personnel. He has since been appointed chairman of the commission, the former chairman having resigned to become president of the board of directors of the Boston and Maine Railroad. The fourth member of the commission is a former state senator. A former employee of the auditor is said to be the power behind the throne.

In Nebraska, the present secretary of finance was formerly Speaker of the House of Representatives. He is about fifty-five years of age and suffers from poor health which requires him to be absent from the office a good part of the time. He is said not to have much interest in the position and no desire to

start anything new. He is a man of considerable public experience, and reputed wealth. He is said by another correspondent "to have the confidence of the right kind of people."

The following characterization of the responsible fiscal officers of Wisconsin is made by a close observer of state affairs.

> "A" is a very high grade public accountant who has been in that business all his life. I would expect him to be firm, impartial, with sound business judgment. Like most high grade accountants his weakness would probably be to become over-exacting, although in his case I think that would be largely tempered by a very excellent common sense judgment. As to social wisdom, I am inclined to think it is way above the average for an accountant, but on the other hand would not have the background that you would expect of a man with training in sociology or a similar subject.
>
> "B" had been in an administrative position with the university before he went to work for the state. My impression of him is that he is a little more of the politician type. I think he is above the average in executive ability. I would not expect him to be over-exacting. I would expect him to be reasonably impartial and to have considerable vision as to social functions of the state.
>
> My feeling is that these two men together make a very admirable team and that they have done work of a very high grade.

In the United States Bureau of the Budget, the first director, General Dawes, had extensive business and financial experience and had just returned from the army where he was general purchasing agent, A. E. F. His vigorous personality as well as his experience eminently fitted him for the post. He was succeeded by General Lord, whose army training was in line with these civilian duties. The staff was selected chiefly from trained employees of the various departments.

The difficulty of the task assumed by these men is enormous. They are obliged to rule, for the most part finally, upon the financial requests of every department and institution, requests including every imaginable item and raising such recondite questions as the demand for a ten ton steam launch in the Philippines, a cardio-pneumo-psychogram for the penitentiary at Leavenworth, an astrophysicist in the bureau of standards, a score of district superintendents in the prohibition enforcement unit, a super-dreadnaught for the navy, and a microscope for the department of agriculture. They are the center of a strenuous and unremitting pressure for increased appropriations. They

are set upon by bureau chiefs, by legislators, by politicians, and by the interests which stand to benefit through enlargement of administrative services. They have the ungrateful task of denying requests which are sincerely urged and with sound reason, and the even more unwelcome duty of informing a bureau chief that his unit is poorly administered and that he cannot expect sympathetic consideration of his requests until he mends his ways. No one but a man of courage, animated by a vision of the great public service which he can perform, should undertake the task.

It is, however, a task second to none in the whole administrative hierarchy. "The head of a department is not in a position, except under very exceptional circumstances, to have a bird's-eye view which will enable him to reason in any other than in terms of his own department. Again, it is his duty to think in such terms. The planning of coordinating action along the lines of a unified business policy is the function of the chief executive." [1]

How to train the fiscal supervisor, with what qualities he should be endowed, what experience within and without the government he should have, how to mold his judgment so that he can strike the nice balance between economy and efficiency (which are by no means the same) and between the claims of this department and that for the use of an anticipated surplus, are difficult problems, by which the measure of success of fiscal control will largely be conditioned. The whole question calls for systematic study.

(*3*). *Administrative Information.* One of the essentials for effective control is adequate information, for without knowledge wise control becomes impossible. It is probably true to say that few officials occupying responsible positions receive the kind and quantity of current reports which they need. Casual examination of the printed reports of most departments quickly convinces the inquirer that they are useless, although it must be said that one cannot judge the value of the reporting service of a department by what it sees fit to print. Preliminary surveys of a systematic character, at the University of Chicago, indicate that the whole reporting process is in great need of renovation. The material available even in the files of civil service commis-

[1] Report of the Director of the Bureau of the Budget, December 5, 1921, p. 38.

sions is notoriously inadequate. Financial statistics are perhaps most voluminous, but their imperfections have long been the subject of adverse comment by accountants and others. Health statistics are steadily improving and in some sections leave little to be desired. In general an operating executive in public administration needs weekly reports, with monthly, quarterly and annual cumulations and comparisons with the preceding year as well as with the anticipations of the current year, dealing with expenditures and revenues, work performed or results achieved, number of officials and employees and labor turnover, all properly classified and presented both in figures and in graphic form. Then he will need special reports as circumstances require. By these means he can feel sure that he has a comprehensive bird's-eye picture of the whole field of activity, and he is enabled readily to turn his attention to the spot that most needs it.[1]

(4). *Political Control.* Deep apprehension is expressed by thoughtful observers lest an integrated administration prove to be the ready means by which spoils politics will spread from an infection at the center to the outermost parts of the organization. These observers point out that an autonomous board, protected by long and overlapping terms, and by other devices, may be almost untouched while other offices are controlled by "politicians." They point to certain unfortunate results of what they call "the impossible Illinois system." Nothing is gained by attempting to deny that there have been results deplored by the friends of sound administration, and the issue is a real one wherever the electoral process cannot be trusted to produce on the whole competent and right-minded public officials. Its importance would probably be considered very slight in Massachusetts, but might be greater in other parts of the Union.

An important group of Ohio organizations recently proposed to modify the provisions of the state administrative code in the fields of public welfare and health by abandoning the single director appointed by the governor for a two-year term and

[1] The foregoing suggests the need for a survey of the tools of management. The survey would deal with such topics as office equipment, intercommunication, progress charts, cost accounting, delegation of power, as well as reporting. Consult Erwin H. Schell, *The Technique of Executive Control* (1924); Wallace Clark, *The Gantt Chart: a Working Tool of Management* (1922).

responsible to him for the conduct of the state's work in these fields. They proposed

> A non-salaried, non-partisan board of public welfare, with seven members appointed by the governor and serving seven years each (one expiring each year).
>
> A director of public welfare chosen by the board, serving during the pleasure of the board.
>
> That the board of public welfare shall determine the general policies of the department.
>
> That the director, subject to the supervision of the board, shall be responsible for administration of the department.[1]

The issue has been thoroughly discussed by circles interested in the status of the civil service commission. The discussion will be summarized in a later chapter, but it may be noticed here that some have advocated a civil service commission so selected that it would be independent of the mayor, and operate substantially outside the range of his influence. This plan is pushed forward in order to eliminate politics from the commission. Opinion remains divided both on the wisdom and practicability of the proposal.[2]

President Roosevelt once said, "You cannot give an official power to do right without at the same time giving him power to do wrong." The process of integration certainly does widen the opportunity for the spoilsman as well as for the statesman. It is a risk whose imminence has to be reckoned with in the light of the special circumstances of each community. It may be added that the independent board gives no automatic guarantee that its affairs will be left alone by the "politicians"; in fact some of the most notorious abuses have occurred precisely here, and it has been found doubly difficult to clean up the situation.

(*5*). *Red tape.* Bureau officials are likely to complain that the growth of what they call "centralization" ties their hands in the detailed operation of their divisions. They are obliged to spend a great deal of time in making out reports, weekly, monthly, quarterly and annual; instead of purchasing their supplies from the local grocer or dry goods merchant, paying cash or making monthly settlements, they are obliged to make

[1] Ohio Public Health Association, *A Plan to Remove the State Departments of Public Welfare and Health from Partisan Politics.*

[2] See below, ch. 12.

out a requisition, forward it to headquarters from which it may be returned with a blue slip or a red slip raising questions and demanding explanations; instead of printing their annual report with the local printer "who has always done it," and who knows all about the "special requirements" of paper, margins, cuts, and the like, the report is forwarded to some unknown official who eliminates the illustrations, halves the number of tables and insists on an inexpensive format.

There can be no doubt that many of these annoyances are real. Small offices particularly seem overwhelmed with the formalities of requisitions, forms, and reports. There are special requirements which merit the favor of adjustments. The amount of red tape is necessarily increased. The only excuse is that the net result is an increased efficiency for the administrative machine as a whole. It is elementary that a hundred independent purchasers, each dealing in small quantities and unable to take advantage of fluctuating markets, discounts, and quantity purchasing, cannot buy so effectively as one agency acting for all. It may be urged, moreover, that the requirements of fiscal supervision are justified by their results in making intelligible the financial operations of the state and thus enabling an intelligent decision on future policy.

(*6*). *Diffusion of responsibility.* In a memorandum presented to Governor Lowden by one of his directors, it was said that "unless a director of a department, in planning with his division heads for the work under their charge, can depend upon appropriations regularly made by the legislature and approved by the governor, his executive and administrative efficiency are greatly impaired." The memorandum also referred to the humiliation to which a director is put when his official judgment and discretion as to the wisdom and expediency of expenditures of public moneys, within the limits of the amounts appropriated by the general assembly, are overridden by another department (i.e., the department of finance).

The issue thus presented, put in general form, raises the problem to what extent the discretion of a department with reference to its internal operation should be affected by the opinions or decisions of fiscal agents or of the auxiliary services concerned with personnel, accounting, purchasing and the like. A preliminary glance may be taken at the auxiliary services to notice in

what ways the discretion of the departments has been guarded. As to personnel, it is almost an invariable rule that the appointing official shall have a choice from among the first three candidates, and may reject them all for cause, asking for new certifications. During a period usually of six months, the appointee is on probation and may be summarily discharged. Thus it may be supposed that each department can guard itself against incapable employees.

In the making of purchases, the department usually has wide freedom in writing the specifications. The proper employment of this discretion, coupled with reasonable foresight in planning its needs, give it substantial protection. In addition, it usually has blanket authority to make incidental and emergency purchases. In some cases it does most of its own buying in accordance with standards agreed upon by conference. The arrangements for unified handling of printing are of the same general type.

These arrangements seldom give rise to any doubt as to who is responsible for a given function. The real trouble rises where a fiscal agent denies a department the right of purchasing an automobile, or printing a research pamphlet, or employing a bacteriologist because in his judgment the proposed expenditure is not expedient or necessary. Some actual illustrations taken from different jurisdictions will make the situation clear.

Case 1. A public hospital sent in a requisition in August for fifty cases of grapefruit. Explanations were required by the fiscal agent, since grapefruit were out of season and expensive. Inquiry revealed that the grapefruit were destined for the table of the physicians and nurses. The requisition was cancelled by the fiscal agent.

Case 2. The director of a museum requisitioned a copy of *Who's Who.* The requisition was rejected by the fiscal officer for the reason that the book could be consulted in a nearby library. The matter was finally taken to the chief executive, who suggested that the requisition be allowed.

Case 3. A request was made by the director of a state laboratory to publish a monograph on the squash bug for the benefit of agriculture. The request was denied on the ground that it was written in such technical language that no farmer could understand it. An explanation that it was intended for the

county agents and agricultural school instructors brought no relief.

Case 4. A requisition was made by a normal school president for certain pedagogical magazines of a professional character for the school library. The request was denied on the ground that the magazines were unnecessary.

Case 5. Funds were requested to pay student assistants. The money was denied on the ground that they were adequately paid by the experience which they derived.

Case 6. An item in the estimates of an agricultural college called for additional instructors in home economics. The item was eliminated by the budget official. Other items for additional instructors in "short courses" were allowed. The college authorities felt that the subject of home economics was not favored by the budget officer, and explained his action on this ground.

In all of these cases there seems to be an "interference" in the affairs of the department. Two considerations have always to be borne in mind in this connection, (1) that the department of finance is acting in accordance with a general policy of the chief executive, and (2) that it is always possible to appeal to the chief executive against individual decisions. Department heads rightly enough reply that they cannot continually bother the chief executive with details and with petty disputes; but on matter of principle the mayor or governor or even the President may be expected to intervene. It is interesting to know that the official who wrote the protest referred to in this section now believes in retrospect that he was wrong, and that the powers of the department of finance should be greater rather than less.

(7). *Initiative.* Finally there is an issue between the advocates of an integrated and a disintegrated system concerning which more completely stimulates the initiative and stirs up the efforts of the individual official and employee. Charges and countercharges are made on this point, but in all fairness it must be said that we do not know. This remains one of the unsettled factors, the clarification of which would be an important achievement in developing a science of administration.

A thoughtful criticism of the movement in the direction of integration is contained in the following selection.

These recent systems of reorganization give too little weight to such needs as the following: (1) the need of securing continuity of policy in administrative departments having work of a technical and regulation-establishing character; (2) the need for facilitating the establishment of customs and traditions of non-interference by periodically changing political officers; (3) the need for eliciting the participation of disinterested citizens serving on unpaid boards, exercising powers of investigation, advice, and publicity; (4) the need for placing legal authority and responsibility in the particular offices most likely to develop a sense of professional responsibility and pride in connection with the work of such offices; (5) the uselessness of extending the scope of the power of any officer beyond the limits of what that officer can actually devote his attention to. Both reason and experience show that, for the administration of many functions, diffusion, rather than concentration, of authority, secures not only more efficient but also more democratic administration.[1]

3. Some Opinions.

Before attempting any statement of the limits of integration, it is in point to present the views of those who have had to deal with the problem in one way or another. Reference has already been made to the difference of opinion in Illinois on the proper scope of the activities of the director of finance. The prevailing view is indicated in the following quotations from a manuscript opinion prepared for Governor Lowden by Mr. Charles E. Woodward.

The department of finance is the keystone of the structure created by the Civil Administrative Code. The head of the department is the eye of the governor. He is independent. He has no service functions to perform. He is placed on watch to observe, for the governor, not only the expenditures made by the several departments, but also the policy of the whole administration as reflected by the departments. The director might be charged with a dereliction of duty did he not make a critical examination of the policies pursued by the several departments.

This conclusion is reenforced by a consideration of one of the purposes and intents of the Civil Administrative Code. One of the principles pervading the code is that of unity of administration. No department is separate and distinct from any other department. Each is dependent upon the other. The code is based upon the theory of cooperation between different arms of the service.

Unity of administration can be secured only by a control over both policy and expenditures. Upon the governor rests the responsibility for both. It is physically impossible for him to exercise his control,

[1] F. W. Coker, *op. cit.*, p. 411.

in all its ramifications, in person. He does it through the department of finance.

As a matter of power, therefore, considered in the abstract, it is my judgment, that the director of finance can question the expediency or propriety of any expenditure. But power is not always coupled with right. How far he should go in exercising this power must be confided to the judgment of the director, subject to the controlling authority of the governor. It is to be presumed that in the exercise of this vast power (and any power, however limited, is susceptible of abuse) the director will be guided by prudence, moderation, zeal for successful, efficient and harmonious administration, as well as by a consideration of the express powers vested in other departments.

The intent of the law is to confide in the director of any service department the function of determining in the first instance, the expediency and advisability of creating charges against an appropriation, including the administrative policy and purposes to be carried out. The initiative rests with the director of the department. His judgment, however, is not final and conclusive. His conclusion is subject to review by the governor through the department of finance. In no other way can unity and harmony of administration be secured.

That complete acquiescence in this view has not yet been attained is evident from a recent report of the Illinois Educational Commission.

Under the present law the control of the normal schools of the state is vested in the department of registration and education, and in the normal school board which operates under the authority of that department. . . . All expenditures, however, must be approved by the department of registration and education and by the department of finance, and the purchase of equipment and supplies is made, except in emergencies, by the department of public works and buildings.

Experience indicates that there are certain definite objections to the present system of normal school administration. The first of these is that serious delays frequently occur because of the necessity of having expenditures approved by the departments mentioned above. Since all the needs of a normal school cannot be anticipated, there arises from time to time urgent demand for some particular apparatus or supplies. Though a requisition may be made at once, it not infrequently happens that the object desired is not secured until the need for it has passed, or until the work of the institution has been seriously interrupted.

A second objection is that the normal schools are not always provided with such apparatus, equipment and supplies as most adequately meet their needs. A normal school, it should be kept in mind, is an educational institution and as such requires for its successful operation a staff of professionally trained men and women and a physical plant and equipment designed to accommodate specific types of activity.

A group of laymen who are not especially familiar with the peculiar needs of an educational institution and who are not in a position to become thoroughly acquainted with its problems and demands cannot reasonably be expected to exercise discriminating judgment in passing upon the expenditure of its funds. Those who are charged with the duty of administering the affairs of the department of finance are laymen busily engaged in other than educational matters. They have little if any opportunity of visiting the normal schools and of becoming definitely informed of their needs. It is true that the director of the department of registration and education is a professional educator in close touch with the conduct of normal schools, but his duties are so many that he is unable to give personal attention to the supervision of expenditures.[1]

A recent paper prepared by Dean A. R. Mann of the New York Agricultural College throws much light upon the contemporary situation regarding central financial control so far as the land-grant colleges and state universities are concerned.[2] Dean Mann writes, "While there are certain growing tendencies in state administration which are actually or potentially inimical to the highest interests of these institutions and the largest efficiency in their operation, nevertheless the replies revealed a much less difficult situation at present, taking the country as a whole, than might have been anticipated." The survey shows that substantially all the states appropriate in lump sums or in large items so that the institutions are not adversely limited. In eleven states administrative boards or the governors are authorized to exercise some degree of control over the expenditure of funds. In the majority of these states this authority has been discharged with such deference to the judgment of the authorities of the institutions, or is of such a general character, that it has not been found seriously hampering. There are three or four very serious exceptions, however.

So far as travel outside the state is concerned, twenty-eight states reported no limitation other than established requirements in accounting and maximum daily rates. Eleven states have some administrative control, but in most cases the recommendation of the institution appears to have been followed. Thirty-six

[1] Illinois Educational Commission, *Report to the Governor of the State of Illinois* (1925).

[2] A. R. Mann, "Encroachment by Government on the Freedom of Administrative Officers and Boards of Colleges and Universities in the Use of State Appropriations for Higher Education," *Proceedings*, 37th Annual Convention of the Association of Land-Grant Colleges, 1923, pp. 463-80.

states report no harmful limitation on printing other than insufficiency of funds. In six states there is a provision of law requiring approval of all printing by an administrative board.

Twenty-two state institutions reported no central purchasing agencies; eleven reported centralized purchasing involving the educational institutions and ranging all the way from a few items to very comprehensive systems. Of these, only four express dissatisfaction. Dean Mann's own conclusion follows.

> It is not intended to imply that public officials, representing the people, should be denied reasonable supervision of all the state's activities. Good government requires that this shall be done. The essence of this argument is that such supervision should be general, intelligent, and sympathetic, and that it should not concern itself with administrative details, nor remove authority from those whom it must hold responsible for the direct conduct of its services. Responsibility and authority are forever inseparable.

In surveying the forms of control of scientific research in state governments, it has been pointed out that the prime concern of the American commonwealth is not scientific research, but either routine administration of its business or the application of the results of science to the solution of its problems. The administrative system consequently must be organized in view of the primary task to which it addresses itself. State administration also still works in the shadow of the spoils system to a degree varying from state to state, but absent in few of them. The protection of the administration from favoritism, from spoils, and from diversion of public funds necessarily is one of the considerations on which the general administrative structure must be reared. Hence, many formal requirements as to reporting and accounting, and many incidents of supervision which in specific cases appear vexatious and irritating, are properly justified in view of the situation as a whole.

On the other hand, it is by no means settled doctrine that a system of control which is desirable for the supervision of routine administration is equally necessary or desirable for the conduct of bureaus engaged in research. Indeed, there are obvious points of difference in the two cases. A bureau or institution engaged in scientific activity is guided by certain professional standards which may properly be relied upon to replace in part the administrative supervision which seems necessary to prevent waste

and extravagance in other bureaus. Individual competence is more likely to be secured in a scientific agency, although the prevalent low salaries cause a regrettably high rate of turnover among well-trained men. The methods and objects of scientific investigation are such as to unfit an administrative official for exercising a type of control which is proper in other cases. Furthermore, owing to the professional character of the work and the inability of the ordinary political appointee to perform it, there is less likelihood of political interference. These points of difference, therefore, make it at least debatable whether state bureaus and institutions engaged in research may not properly claim special treatment within the structure of central financial control.[1]

A final point of view may be drawn from the well-written statement of the Machinery of Government Committee.[2]

> On the whole, experience seems to show that the interests of the tax-payer cannot be left to the spending departments; that those interests require the careful consideration of each item of public expenditure in its relation to other items and to the available resources of the state, as well as the vigilant supervision of some authority not directly concerned in the expenditure itself; and that such supervision can be most naturally and effectively exercised by the department which is responsible for raising the revenue required.
>
> But it is obvious that the sucess of a system of control which is, in theory at least, so comprehensive, so rigid, and so minute, must depend on the manner in which it is applied.
>
> When once a particular policy has been adopted by the Government or by Parliament it is clearly the duty of the Chancellor of the Exchequer to provide the funds necessary for its execution. He may properly require to be satisfied that the expenditure proposed is not more than sufficient for the purpose in view, and that adequate arrangements are made to secure the fullest return for the outlay involved; but his control is in the main financial, and should not be allowed to encroach on the responsibilities of his colleagues. It must also be exercised in a sympathetic spirit and with an adequate knowledge of the circumstances and difficulties of the other departments.
>
> We think that the traditional attitude of antagonism between the Treasury and other departments which so often manifests itself might be substantially modified if the officers of the Treasury could establish closer personal relations with the several departments with which

[1] National Research Council, *Bulletin 49*. *See* ch. 9 of this study for a general statement of conclusions.

[2] Great Britain, Minister of Reconstruction, *Report of the Machinery of Government Committee*, cd. 9230. (1918.)

they deal, and acquire a fuller knowledge of their work and their difficulties. It is clearly desirable to dissipate the tradition that all Departments have a natural disposition to extravagance, and that the Treasury is irreconcilably opposed to all increases of expenditure.

4. Judicial Decisions.

Judicial decisions bearing on the points raised in this chapter are naturally not very numerous owing to the recent enactment of the statutes. So far as is known, no case has been decided in Wisconsin or Massachusetts which bears on the subject, but interesting cases have been adjudicated in the Supreme Courts of Illinois, Ohio, Michigan, Indiana, and Idaho. The language employed by the courts is of particular interest.

The financial provisions of the Illinois Civil Code do not appear to have been construed by the Supreme Court, but its attitude is revealed in part in a case arising on an earlier but analogous statute. An act of 1909 authorized payment of members of the state board of live stock commissioners upon presentation of "certified and itemized vouchers to be approved by the governor." One Brown submitted vouchers calling for payment of salary for twenty-four days' work, performed before the Civil Code went into effect. The department and institution auditor advised the governor to refuse approval and asked Brown to show "the precise nature of the work claimed to have been performed by the board on each of the days for which the salary was claimed." He refused further itemization and asked for a writ of mandamus to compel the governor to approve the voucher. By a four-three decision the Supreme Court refused to issue mandamus. The opinion held, "It is not beyond legislative power to require the certification or approval of a payroll, voucher, or claim by some official as a condition of presentation to the auditor and payment." The opinion referred to the well established practice of requiring certification of payrolls by the civil service commission.[1]

In Ohio a case arose on the following statement of facts.[2] Junk, a contractor, presented to the department of highways and public works a contract in good legal form for the construction of certain state highways. The director of the department forwarded the contract to the director of finance for his

[1] *People ex rel. Brown vs. Lowden et al.*, 285 Illinois 618 (1919).
[2] *State ex rel. Junk vs. Herrick*, 107 Ohio St. 611, 140 N. E. 314 (1923).

approval. The director of finance refused to sign the contract on the ground that he did not regard it as an appropriate or desirable contract for the state to enter into. Junk therefore asked for a writ of mandamus to compel the director of highways and public works to sign the contract, alleging that the contract was not an order in the sense used in the statute and therefore was not required to be submitted to the finance department.

The court sustained this view. In announcing its decision, however, the court used language which is very significant as indicating the probable line of development which will take place in Ohio.

> The issue is as to the power and authority of each of the aforesaid departments of the administrative branch of the government, to what extent each is dependent upon the other, and to what extent, if at all, the finance department is authorized to control the policy of the highway department in the matter of state aid in the construction of highways throughout the state. It is true that the department of finance is first named, and it may be conceded that none of the other departments ranks greater in importance, yet it does not follow that its importance is such as to overshadow all the others and to completely reduce them to a state of impotence. If any illustration is necessary to show that such power and authority in the director of finance as claimed in this case, if applied to all the other administrative branches of the state government, would completely submerge the other branches and put it within the power of the director of finance to completely defeat and destroy the usefulness of the other branches, that illustration is found in the facts of the present controversy.
>
> We shall not attempt in this proceeding to define the duties and limitations of the director of finance in his relations to the directors of the other departments, but we do find it necessary and do not hesitate to say that his duties do not reach even in the remotest degree to a control of the policies of the department of highways and public works.
>
> While the administrative code has not attempted to define the technical qualifications of the director of finance, it will be readily conceded that the duties devolved upon him by that code require the training of a banker and an accountant. The legislature has, however, clearly recognized the fact that the technical qualifications of the state highway engineer . . . shall be those of a competent civil engineer. . . . It would be little short of absurdity to require this skilled knowledge, training, and experience in the highway department, if the policy of the department were entirely subject to the control of the finance department.

The Indiana case[1] arose on the following statement of fact. Contract was made by Licking Township with one Clamme to construct a highway. An investigation of the work by the state examiner of the state board of accounts revealed a failure to comply with the terms of the contract, thus entailing a loss to the township of over $7,000.00 On the basis of this investigation action was instituted by the attorney general to recover. The case turns on the question, did the state examiner of the state board of accounts have the power to inspect the highway and raise a question of the adequacy of the work, or as it was stated on the other side, was the responsibility for highway construction vested completely in officers other than those of the state board of accounts and the state examiner? The powers of the state board of accounts, which was established by legislation of 1909, included authority to prescribe and install uniform systems of bookkeeping, accounting, and reporting, to make statements and reports, and to employ the necessary assistants. The department of inspection and supervision in charge of the state examiner was authorized to require annual financial reports from every municipality and institution and to conduct examinations of the accounts of all public offices. Acting under this latter power the state examiner questioned the payments made to the contractor. The Court held that the state examiner had no power to inspect the highway. In the course of its decision the Court said:

> The specific purposes sought to be accomplished are a higher standard of accuracy and efficiency in accounting and reporting; the discovery of wrongdoing, and the recovery of funds.
>
> Neither the chief examiner nor any of his deputies can allow or disallow, approve or disapprove, any item of expenditure, or adjudicate any question of fact or law . . . neither the department nor any of its officers has any right to review the action of a board of commissioners, or a common council of a city, or of any board, court or officer, authorized by law to make allowances, for the purpose of altering, reversing or affirming any allowance made by any of these agencies.
>
> There is absolutely nothing in any of the legislation relating to this subject which tends in the slightest degree to authorize the department (of inspection and supervision of public offices) to control the discretion of any public officer, administrative board, or other governmental agency whatever.

[1] *State ex rel. Licking Township vs. Clamme et al.*, 134 N. E. 676 (1922).

Neither the state board of accounts nor the department of inspection and supervision of public offices had authority to inspect the highway. The action of the department in that regard constitutes a plain case of usurpation.

A recent Michigan case, *State Board of Agriculture vs. Auditor General*,[1] reaches a similar conclusion but on the basis of the constitutional status of the state Agricultural College. The legislature of the State of Michigan established a state administrative board and authorized it to exercise general supervisory control over funds appropriated by the state legislature. Acting under this general authority the administrative board undertook to direct some phases of the work of the Michigan Agricultural College. The college authorities took the view that inasmuch as the institution was established by the constitution, it was impossible for the legislature to impose a financial control of this sort upon them. The Supreme Court by divided decision sustained this view. In the course of its decision the Court said:

> Clearly, in saying that the legislature can attach to an appropriation any condition which it may deem expedient and wise, the court had in mind only such a condition as the legislature had power to make. It did not mean that a condition could be imposed that would be an invasion of the constitutional rights and powers of the governing board of the college. It did not mean to say that in order to avail itself of the money appropriated, the state board of agriculture must turn over to the legislature management and control of the college, or of any of its activities.
>
> It is not an easy matter to separate a supervisory control of the expenditure of money for extension work from a control of the work itself.
>
> General supervisory control was not a meaningless term with the legislature. As Justice Wiest points out, it had been applied in other appropriation acts of the same session. It was understood to mean that it conferred the right not only to control the expenditure of the money but to direct the work for which the appropriation was made. It is evident that the legislature intended to confer just such power on the state administrative board as it assumed to exercise in relation to this appropriation. In so doing, it exceeds its powers.

An Idaho case takes much the same view.[2] In the words of a resolution of the Board of Regents reported in the case, "various state officers and particularly the state board of examiners,

[1] 226 Michigan 417 (1924).
[2] *State vs. State Board of Education and Regents of the University of Idaho et al.*, 33 Idaho 415 (1924).

the State Treasurer, the State Auditor, and the department of public works acting as a purchasing bureau for the state have interpreted their duties as prescribed by the legislature so as to infringe upon and limit the Board of Regents in the exercise of its constitutional duties." Arising out of this situation the university authorities brought action to define their power. The Supreme Court sustained the contention of the university, saying:

> The Board of Regents of the University of Idaho is a constitutional corporation with guaranteed powers and while functioning within the scope of its authority is not subject to the control or supervision of any other branch, board or department of the state government.

The general tenor of these decisions is unfavorable to the development of substantial fiscal control. In some states the courts have used the constitutional status of institutions to free them from the supervision of the fiscal agencies, and in others they have gone farther in denying any authority under existing statutes to establish a system of fiscal control which extended to questions of policy or expediency. If this line of decisions is to become settled, the duties of directors of finance will resemble those of auditors.

5. The Administrative Rôle of the Chief Executive.

In his characteristic manner, Governor Al E. Smith explains how we ruin our chief executives.[1] "His energy is consumed," he writes, "by trivial details of a clerical or subordinate nature. There is little time and strength left for the high functions of his office." On the contrary he consumes his energy disposing of outworn furniture in the state capitol, considering the problems of interior decorating, signing the commissions of railroad policemen, quieting the fears of local officials who telephone at midnight for the state police, and conferring about the details of institution management. "How long," plaintively inquires the governor, "would any great corporation live if the man directing its affairs was compelled to spend seventy-five per cent of his time doing clerical work?"

[1] Alfred E. Smith, "How We Ruin Our Governors," *National Municipal Review*, vol. 10, pp. 277-80 (1921); *cf.* Mayor Mitchell: "There are a thousand things that consume time and effort and there is not enough time left for the mayor to supervise the work of the departments and to be actually as well as theoretically responsible for it." Quoted in Russel M. Story, *The American Municipal Executive*, p. 110 (1918).

The administrative rôle of the chief executive does not require that he shall himself administer. The state constitutions put the matter rightly when they declare, "He shall see that the laws are faithfully executed." Even this task is performed only by delegating a large portion of it to others. Allowing for the fact that in small jurisdictions the chief executive can and properly may take a more active share in the day by day work of the departments, it may be said in general that his task is to assure himself that the responsibilities vested in the real administrators are efficiently discharged. This task is large enough to require all the time available for this part of his work.

His office should be conceived, (1) as the connecting link between the administration and the legislature, (2) as the center of responsibility for all the administrative agencies, (3) as a vital point at which the tone of the administration can be directly affected by the pitch of public opinion, so far as it is able to make itself articulate on this subject.[1]

As the connecting link between the legislature and the administration, the chief executive should become in all important matters the exclusive channel by which the legislature and the departments communicate with each other. This policy is rapidly appearing in the federal government, but is hardly outlined yet in the state and local governments. The controversy between Cleveland and Congress over the submission of certain information to Congress, the "Gag Rule" imposed by Roosevelt and later suspended by Congress, the insistence of Harding and Coolidge upon the authoritative character of their budgets, are all different aspects of the same principle. No chief executive who desires unity in his administration can permit subordinate officials unregulated freedom in approaching the legislative body.

As the center of responsibility for the many branches of the administration, the chief executive is in the position of the captain of a vessel, who has the duty of bringing his ship with passengers and freight and crew to a certain port. He discharges his duty, not by heaving the lead, running the engines, and watching the galley, but by taking care that he has competent persons to perform these tasks, and by assuring himself that they have fulfilled their duty. The chief executive needs to have

[1] Compare John H. Williams, "A Technique for the Chief Executive," *Bulletin of the Taylor Society*, vol. 7, pp. 47-68 (1922).

similar guarantees. He may properly require freedom to choose his immediate subordinates, who become the heads of departments and undertake to perform for him certain administrative duties. He needs also a mechanism which will reveal to him, currently, that these duties are being well performed. He needs in addition sufficient authority to enable him to enforce the proper performance of these duties.

The machinery of fiscal control which was described in the preceding chapter is substantially the present solution of these requirements. Put in general terms, the chief executive needs power to appoint and discharge at will the heads of departments, and a staff agency which will report to him concerning the efficiency of all the work performed by any part of the administrative machinery. Greater authority than this he does not need, and should not assume.

If he undertakes more than this, two things may be expected to happen. In the first place, he loses the opportunity to see the larger problems of administration free from the obscuring effect of the details, and the freedom to deal with the larger problems because his energy and time are consumed with the details. In the second place, in undertaking to deal with the details, he limits the freedom and curtails the initiative of the men whom he has chosen to direct the work of the departments and of their technical subordinates, who, it may be presumed, are competent to carry out the policy prescribed by the political authorities. Leadership can be achieved only by a willingness to leave the execution of the job to subordinates, in order to gain the essential freedom to plan, to direct, and to coordinate, which are the true functions of the highest administrative officials. If subordinates are incompetent, it devolves upon the chief not to perform their work but to secure others who can.

This interpretation of the rôle of the chief executive, as an administrator, strips him of a multitude of specific functions which law and practice have imposed upon him. This is proposed, not to weaken, but to strengthen his influence in administration. It is proposed equally to confine his influence to those phases of administration which he is competent to deal with, and to eliminate his influence from those matters whose execution is better left to subordinates qualified by training and experience. Executive interference may be pernicious if it is not confined to

the essential tasks of directing, coordinating and planning. Although the question is taken up in later chapters, it is in point to insist here that this conception of the true function of the chief executive is combined with the conception of an administrative personnel selected by merit, managed in such fashion as to develop the greatest degree of latent capacity, adequately protected against partisan politics, and comprising all except the very highest officials. The chief executive gives the impulse to such a personnel, insists upon the elimination of its incompetent members, and leaves the others to perform the work which the law requires.[1]

6. The Rôle of Fiscal Supervision.

Although it is clearly the duty of the chief executive, as the office is now conceived, to give attention to the conduct of administration, it remains true that his political duties necessarily absorb an important part of his time and energy. He cannot adequately perform his administrative responsibilities unaided. Hence the development of staff agencies, with varying powers and influence. The existence of such an agency seems to have become essential; the real problem is to fit it into the administrative machine so that it can work effectively and still not suck out the vitality of the operating departments.

It is important to insist upon the necessity of maintaining the vitality of the departments. They have arisen from the imperative necessity of specialization and division of labor, and more or less imperfectly correspond to existing administrative needs. No one would propose to consolidate them all into one great department and expect to find any one person endowed with the sagacity, strength, and persistence required to direct it. The departments and their subdivisions are essential conveniences in the conduct of business which must inevitably continue in one form or another.

Neither is it reasonable to expect that in the long run issues of departmental policy, such as the management of institutions

[1] On the general subject the student may consult John M. Mathews, *Principles of American State Administration*, ch. 3-5 (1917); John A. Fairlie, "The Administrative Powers of the President," *Michigan Law Review*, vol. 2, pp. 190-210 (1903-04), and "The State Governor," *ibid.*, vol. 10, pp. 458-64 (1911-12); R. M. Story, *The American Municipal Executive* (1918); and William M. Anderson, *American City Government* (1925).

involving the care of defectives, or the expansion of agricultural extension teaching, or the remaking of police districts can be decided better by a financial office than by the department concerned with public welfare, or agricultural education, or police. If this proved in any case to be true it would be an argument for housecleaning within the departments rather than for the enlargement of fiscal control.

Unfortunately it is true that matters of policy and methods of conducting business are not always easy to differentiate. Every policy begins to reveal itself in columns of figures as soon as it begins to operate; and on the other hand, economy in expenditure soon begins to reveal itself in its effects upon policy, as it is pressed forward by finance officials. An illustration will make this clear. A geological survey learns by telephone that a valuable core is being extracted by an oil drill. If free in the expenditure of his appropriation, the chief of the survey can immediately telephone a local carpenter shop to make the necessary core boxes to transport the core to his office. If not free to act directly, he may be obliged to make out requisitions for the manufacture of the core boxes, the importance of which may be questioned by a finance official, for which bids may be required, while the successful bidder may be at a distance so that inspection of the boxes may be impossible and the guarantee of haste in manufacture may not be secured, so that it might well happen that the core would disintegrate lying in the open air before it could be preserved.

It seems clear that there are limits to the usefulness of fiscal supervision and control. It has overstepped the limits of its usefulness when it interferes substantially with the freedom of departments to carry out the program imposed upon them by law. It has overstepped its usefulness when it takes the initiative in preparing department plans instead of surveying those submitted by the proper officials. It goes too far in attempting to substitute its judgment on technical questions for the judgment of the department. It operates to the detriment of sound administration when it destroys the sense of responsibility within the department for its work.

Acting for the chief executive, however, it has important duties to perform. In the formulation of the budget, it rightly has the authority to revise department estimates, although it should leave

to the department the precise allocation of the gross amount allowed. In the hearings before the finance committee of the legislature, it rightly appears as the authoritative exponent of the budget and may justly insist that department heads accept the budget loyally. After the appropriation has been made, it may ask for statements concerning the proposed monthly expenditures in order to insure against the occurrence of deficits. Departments have proved themselves time and again to be careless about incurring deficits, and it is a proper function of a fiscal officer to take measures to prevent their occurrence.

In the judgment of the writer, it is desirable to allow fiscal agents to question the wisdom and expediency of proposed expenditures. Departments should feel that the need for care is as important as the necessity for legality in expending money. In the former case, however, it is thought that the ultimate decision should be made by the department, rather than by the finance official. If the latter feels that the case is important enough, he should be entitled to call it to the attention of the chief executive, who of course may make a conclusive decision. The finance official need not fear that his observations will pass unheeded, for his authority over succeeding estimates and his influence with appropriation committees is more than sufficient to entitle him to respectful hearing, even though his status as the staff agency of the chief executive be momentarily left out of consideration. It may be suggested furthermore that in the long run the lesser power over department expenditures would prove to be the greater influence.

The real value of fiscal control lies (1) in compelling reconsideration of and conference about doubtful items of expenditures. It enables the department to see clearly all the implications of a proposed line of conduct, and brings to it the informed business judgment of an office in touch with all departments of government. It consists (2) in furnishing an opportunity for the evaluation of different branches of administration in terms of their relative importance and in framing a financial program which gives precedence to the more pressing projects. It has value (3) in coordinating and thus lessening the cost of administration. Finally it counts heavily (4) by creating a sense of unity in the whole administration and by counteracting the narrowness and jealousies of the departments and institutions.

In all that has been said in the two preceding sections there has been the assumption that the powers of the chief executive and fiscal agents are employed for proper purposes. If the main objective turns out in any case to be the building up and perpetuation of a great political organization, irreparable damage has been done, not merely to the political life of the community, but to the foundation of good administration as well.

CHAPTER SEVEN

DEPARTMENT ORGANIZATION

The work of a public department consists of a vast mass of administrative detail, the importance of which is not self-evident until some strain is brought to bear upon it; and all acts done, however trifling in themselves, form precedents, which accumulate silently until they become as immovable as the rocks of the geologic strata. To know how far the opinion of an expert must be followed, and how far it may be overruled; to know what is really general policy, and what is mere detail; to know these things is the most valuable art in life. The capacity of an administrator on a large scale depends upon what he attends to himself, and what he commits to others.

A. Lawrence Lowell: *Government of England.*

If one reads casually through the law books of any of the American states, one is struck immediately by the bewildering variety of forms of departmental organization. The tangle, almost tropical in its luxuriance and its diversity, presents a classification problem of first magnitude to the bold investigator who seeks to systematize the confusion which surrounds him, and to disentangle the Mendelian or other laws of inheritance and cross-fertilization which have evolved such teeming generations. One can hardly hope to set up an analysis which is at the same time inclusive and exclusive and relatively simple, but it is possible to exhibit what may be called the dominant types, from which almost endless variation develops.

Attention has already been called to the fact that the gross administrative structure is fixed by the legislature. It is now time to add that the bulk of the minor organism is created and modified by the responsible administrative officials, although here too the hand of the legislature is sometimes felt.

Within a department as within a total administrative system the same objectives govern the creation of the necessary mechanisms. A department head needs to organize his bureaus and divisions to secure functional unity, ensure clear-cut responsibility, provide adequate supervision and financial accountability, make sure of proper coordination, provide an effective organ of

planning and control, and stimulate the fullest use of the personal resources of the staff. He is likely to express all this in the more direct and telling phrase, that his job is "to get out the work." But "getting out the work" is the result of a complex of related activities, all of which need to be put in proper adjustment each to the other.

Some phases of the internal structure of administrative departments are brought up for consideration in the present chapter. The various types of overhead organization are illustrated by reference to some recent state legislation, and the normal internal structure of the department is dissected in order to illustrate the variety and usefulness of the subsidiary services; in addition the forms and conditions of internal control and direction lead into a brief discussion of the functions of the head of the department and the qualifications desirable for this important position. Students of administration need and would gratefully welcome some intimate sketches of the actual internal life of some of the great departments at Washington, or in Albany, Sacramento, Chicago, or New York.[1] Meanwhile some of the broad lines only can be marked out, which await such illuminating studies for their further refinement.

1. Types of Overhead Management.

In the United States the official without portfolio has never been developed. Great Britain has used the device with notable success, and in addition possesses in its cabinet a few positions the duties of which are purely nominal. The incumbent is therefore free to devote his full energy to matters of general importance, to mature plans, to assist in coordination, or to undertake any special task of the moment. The plan has such obvious merit that it is a matter of surprise that it has never been employed on this side of the Atlantic.

The report of the Illinois Efficiency and Economy Committee recommended a certain variety in the form of department overhead organization. Single officials were proposed for some purposes, and boards or commissions for others. The committee drew up its plan in view of existing conditions, and granted that in organizing an entirely new system a greater degree of uniformity might be advisable. It rejected wholly the principle of

[1] *Cf.* Sir Stephen Demetriadi, *Inside a Government Department.* (1921.)

bi-partisan boards, and for the most part proposed to eliminate ex officio boards. These recommendations were modified in 1917 in favor of the uniform application of the principle of one man control of each and every department.[1] Within some departments, however, are to be found boards substantially independent of the director, and outside the departments certain independent commissions.

The Massachusetts statute reorganizing the state administration in accordance with the constitutional mandate of 1918 adopted a variety of forms of departmental organization.[2] The department of public safety is headed by a commission, appointed for a term of five years. The department of agriculture is under the supervision and control of a commission and an advisory board of six members, all serving for a term of three years and appointed by the governor and council. The commission is the executive head of the department, while the board "shall exercise advisory powers only." Within the department of conservation may be found a different type of advisory council composed of the directors of divisions, also appointed by the governor.

The department of labor and industries is governed by a commissioner, an assistant commissioner and three associate commissioners, one representing employers, one employees, all appointed by the governor and council for terms of three years. The commissioner is the executive and administrative head of the department, but appoints the five directors of divisions only with the consent of the associate commissioners. He prepares rules and regulations for the consideration of the associate commissioners, which go into effect when approved by them. The associate commissioners constitute a board of conciliation and arbitration. The form of organization of this department is obviously governed by the desire to secure effective representation of employers and employees.

Other departments are controlled by boards. The commission on mental diseases has charge of the department of the same name, but the commissioner of mental diseases is the executive and administrative head. The department of banking and insurance has three main divisions; it is governed "in all matters

[1] Laws of Illinois, 1917, p. 2.
[2] Laws of Massachusetts, 1919, ch. 350.

concerning the department as a whole" by a board comprising the commissioners of these divisions. Likewise in the department of civil service and registration, "the commissioner of civil service and the director of registration shall act as a board in matters affecting the department as a whole." These appear to be mere paper compliances with constitutional requirement. The industrial accident board, on the other hand, is a real operating unit.

The department of public works comprises two overlapping boards. There are a commissioner and four associate commissioners, two of whom with the commissioner form the division of highways, the other two with the commissioner, the division of waterways and public lands. Rules and regulations for either division are approved by the commissioner and the four associate commissioners, sitting as a board.

The Washington state administrative code presents other types of organization, designed in view of special local conditions. The statute provides (1) ten departments in charge of individual directors, appointed by the governor with the consent of the senate; (2) a series of nine administrative committees, composed of ex officio elected officials; and (3) an administrative board, comprising the governor and the ten directors of departments, who are authorized by majority vote "to determine and advise as to questions of policy in the administration of any of the departments . . . submitted to the board by any member thereof."

State universities are invariably governed by a board of directors, regents, or trustees, sometimes elective, sometimes appointive, for extended terms of office. In these boards is usually vested the full control of the institution, including the selection of the president and approval of other appointments, the determination of the general policy of the university, the approval of the budget and the supervision of expenditures. The boards are, in most cases, independent of state departments of education and also of the state fiscal agents. Attempts to extend fiscal control to their affairs have been stoutly resisted.[1]

A somewhat analogous model has been established in more

[1] See notably *Michigan State Board of Agriculture vs. Auditor General*, 226 Michigan, 417 (1924); *State vs. State Board of Education and Regents of the University of Idaho*, 33 Idaho 415; letter of resignation of President Kenyon L. Butterfield, Massachusetts Agricultural College, *School and Society*, vol. 19, pp. 645-646 (1924).

purely administrative work, although without all the implications of autonomy which attach to the board of regents. By act of 1909, New York established a public health council consisting of the commissioner of health and six members appointed by the governor of whom three must be physicians and one a sanitary engineer. Their term of office is six years. The public health council is vested with power to establish the sanitary code dealing with any matters affecting the security of life or health in the state of New York, excepting New York City. The council has no executive, administrative, or appointive duties, all of which are specifically vested in the health commissioner.

An analogous form of organization is found in the New York state department of farms and markets. The evolution of this department is full of interest. Previous to 1917 the department had been under the direction of a single commissioner, appointed by the governor. In the first twenty-four years of the life of the department there were but three commissioners, due to the stabilized political control of the state. In 1910 there was ushered in a new political era marked by frequent changes in state control; from 1908 to 1917 there were three commissioners of agriculture. In 1917 the legislature, seeking continuity of policy, established the council of farms and markets, modeled on the regency plan in the department of education. But the plan proved a source of inefficient management, as the executive and administrative duties were vested in the council of eleven members acting as a body. In 1921 the legislature recognized that there must be centralization of responsibility, and proceeded to strip the council of its executive functions, leaving it the duty of selecting the commissioner but no other powers except those of an advisory nature.[1]

The remarkable fertility of invention displayed by the framers of administrative legislation in the various states probably springs from the exigencies of political and personal situations quite as much as from consideration of principle and desire for efficiency. But on grounds of principle much can be said for the careful adjustment of form of organization to the end in view. The board has an undoubted rôle to play in the organization of departments where the outstanding objectives are continuity in

[1] Report of the Department of Farms and Markets, 1922, pp. 5-6. Legislative Document 107 (1923).

policy, authoritative representation of interests, conference and consultation in view either of rule making or rule enforcement. On the other hand, where the objectives are prompt decision, vigor in action, unity of responsibility, the choice will naturally lie in favor of the single executive.

It may not be amiss to emphasize the value of the board in certain contingencies in view of the prevailing tendency to supplant it by the director or commissioner. The board is in some cases invaluable in securing the representation of interests affected by the administration of the law. In Oregon, Barnett cites statutory provision for the representation of various economic interests on ten state boards. The accident commission statute declares, "inasmuch as the duties to be performed by such commissioners vitally concern the employer, the employees, as well as the whole people of the state, it is hereby declared to be the purpose of this act that persons shall be appointed as commissioners who shall fairly represent the interests of all concerned in its administration." Among the interests represented on various boards are capital, labor, agriculture, wool growers, dairymen, the Oregon Taxpayers' League, seed dealers and practical range stockmen.[1] In selecting the appointive members of the Federal Reserve Board the President is directed to have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country.

It is in the field of public welfare administration particularly that the board has found its warmest defenders, as well as its sharp critics.[2] A committee of social workers submitted the problem of organization to members of the Governmental Research Conference, from whose replies it appeared that only four out of nineteen (and one of these doubtfully) favored a board. But of eighteen persons who had had practical experience in social welfare administration, all but two favored a board. Miss Vaile puts the argument in favor of the board on the ground that

[1] J. D. Barnett, "Representation of Interests in Administration," *National Municipal Review*, vol. 12, pp. 347-349 (1923).

[2] Consult National Conference of Charities and Corrections, *Annual Proceedings;* Henry C. Wright, *A Valuation of a System for the Administration of State Institutions through One Man Control as Operated in Illinois* (1922); S. P. Breckenridge, "Summary of the Present State Systems for the Organization and Administration of Public Welfare," *Annals*, vol. 105, pp. 93-104 (1923); C. E. McCombs, "State Welfare and Consolidated Government," *National Municipal Review*, vol. 13, pp. 461-473 (1924).

(1) the voter is not in a position to know and evaluate what is being done and so protect it with his vote, nor does he recognize that a trained person is needed to direct the work; therefore it needs special machinery for its protection; (2) the nature of the work itself calls for a council of minds, especially because intricate community relationships between public and private welfare work have to be worked out.[1] Miss Vaile urges the type of board which has final authority for (1) the conduct and policies of the work, and (2) the appointment of a chief executive who has all the "administrative" functions.

The other side of the case is presented in an answer to Miss Vaile by Dr. McCombs of the National Institute of Public Administration. After pointing out that the battle for centralized control has been won against the advocates of institution independence, Dr. McCombs points out that in the new conflict between board and commissioner "one man control" has meant an improvement in administration where it has been given a fair chance. McCombs asserts that the advantages of continuity which come from the board form of organization often prove to be disadvantages owing to the inertia or stupidity of the board. "The long term board is as often responsible for continuity of inertia as for continuity of progress." He asserts that the fear of intensified political interference under the Illinois one man type is largely a bug-a-boo, "the *bête noire* of the social workers." So far as the usefulness of a "council of minds" is concerned, McCombs asserts that for public welfare agencies, the legislature is the deliberative agency, and that in any event the board is either dominated by one master mind, or (where no master mind appears) administrative competence is invariably conspicuous by its absence.[2]

As in the case of organization on the next higher level of administration, the essential considerations are to establish a relationship which will ensure certainty and vigor of action, combined with responsibility to the law and responsiveness to the social groups involved. On this level of administration it is feasible and desirable to place greater emphasis upon the social responsibility of the official to the special groups concerned; the

[1] Gertrude Vaile, "An Organization Problem of Public Welfare Departments," *Annals*, vol. 105, pp. 144-148 (1923).
[2] McCombs, *op. cit.*

chief executive, on the other hand, must always bear in mind his dominant responsibility to the whole political and social unit. The efficiency of a department consists certainly as much in doing the right thing as in doing something, however energetically. Where the social policy is not clearly defined in the law but remains to be hammered out in the course of administration, it seems almost essential to associate with the executive officer some kind of a professional or representative group. The type of organization illustrated by the New York public health council seems to be an admirable solution of this problem of overhead management.[1]

2. Types of Internal Organization.

The internal organization of a department is governed in part by statute, in part by specific order of the commissioner, in part merely by a customary division of work. To the extent that the internal organization is fixed by law, there may develop an awkward division of responsibility. With or without intent of the legislature the bureaus may be assigned a degree of autonomy which makes effective control by their ostensible head almost impossible. This condition exists at the present time in some of the executive departments at Washington, and has been advanced as an argument in at least one case for the elevation of a bureau to the rank of a department.[2]

"Under the federal system," declares W. F. Dodd, "there is a theoretical subordination of bureaus to departments and of departments to the President, but this subordination is largely theoretical because of the steady growth of independent functions vested by statute in the various bureaus, such functions being exercised to a large extent independently of the head of the department. . . . Without express orders from the President, the heads of departments must be very careful as to the degree of supervision which they may seek to exercise over bureaus within their departments substantially independent in the matter of legal duties and whose heads are appointed in the same manner as are heads of departments." [3]

Secretary Lane has left on record the situation in the department of the interior. Writing to Albert Shaw, he observed,

[1] *See* for further discussion, J. M. Mathews, *Principles of American State Administration*, ch. vii (1917).

[2] *See National Research Council, Bulletin No. 1* (Reprint Series); "Report of Patent Committee."

[3] W. F. Dodd, "State Reorganizations and the Federal Problem," *Proceedings of the Academy of Political Science*, vol. 9, no. 3, p. 142 (1921).

As you probably don't know, this has been a rather disjointed department. . . . How we come to have some of the bureaus I don't know. Patents and Pensions, for instance, would not seem to have a very intimate connection with Indians and Irrigation. Education and Public Lands, the hot springs of Arkansas, and the asylum for the insane for the District of Columbia do not appear to have any natural affiliation. The result has been that the bureaus have stood up as independent entities and I have sought to bring them together, centering in this office.[1]

To the extent that this situation is general, the department becomes a sort of collective name for what are substantially independent services. The condition usually reflects the necessity for a reorganization which will bring related bureaus together and separate the incongruous in order to permit effective supervision.

The same lack of internal cohesion is found in some of the Illinois Code departments. Thus the tax commission is placed in the department of finance; the director of the department is ex officio secretary of the commission, and performs all clerical and administrative functions; but the commission is authorized "in its name, without direction, supervision or control by the director of finance" to exercise and discharge all the duties imposed upon it by law for the assessment of property for taxation. In the department of labor the industrial board occupies a similar position; in the department of mines and minerals, the miners' examining board; in the department of trade and commerce, the Illinois Commerce Commission; in the department of registration and education, the normal school board, the various examining boards, and the board of natural resources and conservation. Some illustrations from Massachusetts have already been given. A puzzling problem of adjustment is presented by such administrative agencies, endowed with quasi-judicial authority.[2]

In general, however, it may be said that the internal organization of departments is of the hierarchical type. An assistant director supervises the operations of bureau heads who in turn are responsible for the work of the divisions and smaller units. This type of organization was proposed by the New York Re-

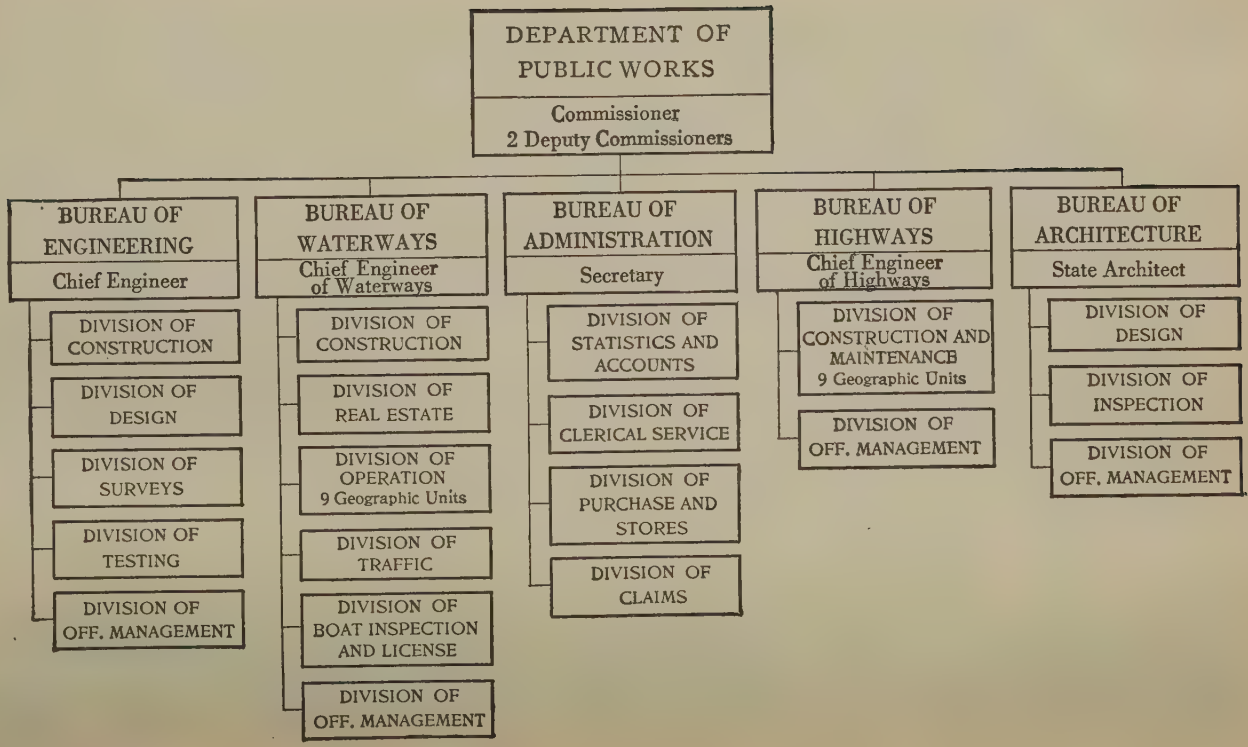
[1] *The Letters of Franklin K. Lane*, edited by Anne Wintermute Lane and Louise Herrick Wall, p. 148. (1922).
[2] *See* R. M. Dawson, *Principle of Official Independence* (1922).

construction Commission, one of whose charts of organization is reproduced by way of illustration.

Further analysis of the internal structure of a department reveals that it employs two types of divisions, one to perform the major substantive tasks imposed upon it, the other to carry on certain subsidiary functions. Each of these types illustrates the process of specialization and differentiation, developing through a more or less extended period of time. The United States department of agriculture, as described by Wanlass, exhibits both types. The service bureaus include the weather bureau, bureau of animal industry, bureau of plant industry, forest service, bureau of chemistry, bureau of soils, bureau of entomology, bureau of biological survey, bureau of crop estimates, the states relations service, the office of public roads and the bureau of markets. All of these bureaus are engaged in administering some one of the substantive jobs of the department and each has a fairly well defined field peculiar to itself. The subsidiary offices furnish some service essential to the orderly management of all or many of these bureaus. Thus the chief clerk has general supervision over personnel matters, the chief of information represents all the bureaus before the press, the solicitor supervises and directs all the legal work of the department, the division of accounts and disbursements handles the fiscal affairs of the department, the division of publications supervises all printing and publication.[1]

The chart of the proposed organization of the New York department of public works reproduced below shows a bureau of administration, with divisions of statistics and accounts, clerical service, purchases and stores, and claims. These are all subsidiary services, assisting the major services of engineering, waterways, highways, and architecture. It would have been conceivable to set up each of these bureaus with its own purchasing, clerical, accounting and claims divisions, but the resulting piecemeal offices could hardly have been efficiently conducted, and the necessity of supervising them would have taken much of the time and effort of the chief engineer. The proposed type of organization relieves him of the necessity of carrying this responsibility. By the same principle of organization, special

[1] William L. Wanlass, *The United States Department of Agriculture, a Study in Administration*, pp. 41 ff. (1920).


DEPARTMENT OF PUBLIC WORKS
Commissioner
2 Deputy Commissioners
BUREAU OF ENGINEERING
Chief Engineer
DIVISION OF CONSTRUCTION
DIVISION OF DESIGN
DIVISION OF SURVEYS
DIVISION OF TESTING
DIVISION OF OFF. MANAGEMENT
BUREAU OF WATERWAYS
Chief Engineer of Waterways
DIVISION OF CONSTRUCTION
DIVISION OF REAL ESTATE
DIVISION OF OPERATION
9 Geographic Units
DIVISION OF TRAFFIC
DIVISION OF BOAT INSPECTION AND LICENSE
DIVISION OF OFF. MANAGEMENT
BUREAU OF ADMINISTRATION
Secretary
DIVISION OF STATISTICS AND ACCOUNTS
DIVISION OF CLERICAL SERVICE
DIVISION OF PURCHASE AND STORES
DIVISION OF CLAIMS
BUREAU OF HIGHWAYS
Chief Engineer of Highways
DIVISION OF CONSTRUCTION AND MAINTENANCE
9 Geographic Units
DIVISION OF OFF. MANAGEMENT
BUREAU OF ARCHITECTURE
State Architect
DIVISION OF DESIGN
DIVISION OF INSPECTION
DIVISION OF OFF. MANAGEMENT

accounting, purchasing, personnel and the other subsidiary services have been set up for the government as a whole, which are usually intimately connected with the subsidiary divisions of the departments.[1]

In a large and highly organized department, a number of subsidiary functions will be regularly provided. The supervision of drafting budget estimates will be placed in the hands of a fiscal agent, who may also be in charge of the accounting and disbursing service. Appointments, transfers, recommendations for promotions, discipline, retirement and the like will be supervised by the chief clerk. Purchasing may be managed by a department official or by a general agent; in the latter case the department's requisitions will usually be scanned by one of its officials. The statistical service is also frequently segregated. The drafting of rules is often the duty of some one official acting on behalf of all bureaus. Bill drafting may be carried on in various corners of the department. Laboratory service, where needed, is universally combined into one or a few laboratories serving all. Research, on the other hand, is likely to appear wherever the need and the researcher may join hands. There is wide variation with regard to press relations. But legal work is usually segregated, and indeed taken out of the department and vested in the corporation counsel or the attorney general.

The advantages of the subsidiary services are great. They secure for sometimes neglected phases of departmental work the attention of some one or few employees whose duty it is to do this work well. By creating enough business to justify the employment of specialists (or by gradually forming specialists) they

[1] The organization of the New York Department of Farms and Markets (1922) illustrates the point excellently. The following statement is taken from the annual report for 1922.

EXECUTIVE: COMMISSIONER
ASSISTANT COMMISSIONER
SECRETARY

DISEASE CONTROL BUREAUS	REGULATIVE BUREAUS	SERVICE BUREAUS	ADMINISTRATIVE BUREAUS
Animal Industry	Dairy and Foods	Markets	Legal
Plant Industry	Weights and Measures	Cooperative Associations	Finance
		Traffic	Chemistry
		Statistics	Personnel
		Publications	
		Institutional	
		Farm Management	

provide the advantage of expertness here as well as in the major functions. They ensure a reasonable uniformity in the performance of this part of the work. They relieve the operating heads of the major services of a considerable burden and make it possible for them to concentrate on the main job.

But the operating heads of the major services are not disinclined to grumble on account of the delay, the misunderstanding, the shortcomings, the cross purposes which the development of the subsidiary service may entail. They are inclined to assert that if they could hire their own men, purchase their material directly, operate the statistical service themselves, and so on, they could really run their department and produce results. Experience seems to indicate that in any large organization this protozoan simplicity would result in confusion and waste rather than in orderliness and efficiency.[1]

3. Types of Control Within the Department.

Corresponding to the problem which a chief executive faces with regard to the administration as a whole is the problem which a director or secretary faces within his department. More than one cabinet member has complained at Washington that he could not control his department. The power of resistance of a well organized, conscious, and determined bureaucracy is likely to prove very substantial, not to reckon the general opposition to change and innovation. A progressive commissioner therefore has to consider the ways and means (1) by which he maintains contact with his subordinates, (2) by which he may initiate his plans, and (3) by which he may assert that degree of control which properly goes with his position.

The problem varies directly with the size of the department and with its geographical dispersion. It is complicated by the existence of bureaus accorded a legal autonomy. It is made perplexing and often annoying because bureau chiefs with politi-

[1] The two types of subdivisions here described are usually referred to as line and staff, respectively. Anderson writes on this point: "This redivision of municipal functions is one of the most significant developments in municipal administrative organization. . . . The older departments still pursue these (major) ends; the new ones relieve them of former duties by supplying and regulating the means. The newer departments represent a new *horizontal* division of the city's administrative functions. This division is based upon the *means to be used* or the nature of the function to be performed." *American City Government*, p. 435, and illustrative chart, p. 436. *Cf.* Oliver Sheldon, "How Far Can Functionalization Go?" *Administration*, vol. 5, pp. 199-206 (1923).

cal backing occasionally resist supervision. It is sometimes complicated also by reason of quasi-judicial or even judicial protection to classified employees. It is at times made extremely difficult when trade unions in a politico-labor combination defy control from superior officials.

To meet these varied circumstances a number of well-tried expedients are at hand. Very common among these is the regular "cabinet meeting" at which bureau and division chiefs gather with the assistant commissioners and the commissioner for consideration of the affairs of the department. In Chicago the commissioner of public health meets his bureau chiefs every Tuesday morning, and his two assistant commissioners daily at an appointed hour. The head of another department consults with each of his immediate subordinates individually every morning. Such meetings as these are indispensable, and almost universal, in any large organization.

In cases where it is difficult to bring men together personally the head of a department will rely largely on regular reports. The operating statistics with which most department heads are supplied are less elaborate and less well prepared than the corresponding information at the disposal of business executives. But health departments have many times fine reporting service, and police and fire departments are often in the forefront in this regard. Many civil service commissions on the other hand are notoriously lax in their information service. The kind of reports needed will naturally vary somewhat with the function performed, but in any case current financial reports, weekly and monthly, are indispensable to the head of a department. If the department is a large employer of labor, he will need labor turnover figures. He needs at regular intervals a table of unit costs. If he is dealing (as is usually the case) with external conditions, he needs figures showing the variations of his problem: the occurrence of disease, the movement of traffic, the number of automobile thefts, the congestion of population, the efficacy of ventilation systems, the volume of bank transactions, and the like. These may be supplied him from other sources, or he may be obliged to build them up himself. In order to make them most intelligible, they should be presented in graphical as well as tabular form.

Control of funds is a more or less potent means of enforcing

compliance with the policy of the department, depending upon the character of the appropriation act. If the appropriation is made directly to the bureau or division, the head of the department may have little to do with the case. If the appropriation is highly itemized with restrictions on transfers, not much can be done. But in Illinois at least there is a distinct tendency to appropriate in such a way as to enlarge the discretionary authority of the director. His general position is fixed by the administrative code which prescribes that "each department shall have an officer at its head . . . who shall . . . execute the powers and discharge the duties vested by law in his respective department."[1] After enumerating all the principal officials the code then provides, "The above named officers, and each of them shall . . . be under the direction, supervision and control of the director of their respective departments, and shall perform such duties as such director shall prescribe."[2] The appropriation is usually made (although practice is not uniform) *to* the department *for* each of the divisions.[3] Some years ago an issue arose on the disposition of the funds of an advisory commission. The funds were appropriated to the department, which was construed as authorizing the director to veto a proposed expenditure of the advisory board for travel. The board complained that its independence and usefulness had been destroyed.

Of equal interest is the tendency to put the contingent funds in the hands of the director of the department, or the governor, rather than at the disposal of the bureau chief. Bureau contingent funds in Illinois are being supplemented and replaced by a general contingent fund, and this formula is now regularly attached to all appropriations: "No contract shall be entered into nor obligation incurred for any expenditure from the appropriation herein made for contingencies until after the purpose and amount of such expenditure have been approved in writing by the governor." The governor necessarily acts upon the advice of the director of finance and the department concerned.

In the preparation of the budget the head of the department is also assuming a new rôle. The estimates are now usually submitted to him or to an official appointed by him for revision and

[1] Illinois Administrative Code, Sec. 4.
[2] *Ibid.*, Sec. 5.
[3] *See* for example, Laws of Illinois, 1921, p. 81.

approval, and he assumes the chief responsibility for defending them before the general fiscal authority and the appropriations committee. The control of the fiscal policy of the department with all that that implies is thus steadily strengthening the position of the directors.

Formally or informally appeal usually lies from the subordinate officials to the head of the department. The practice has been much more carefully worked out in federal than in state affairs. Congress has often provided such appeal, and the Supreme Court has declared that appeal also flows from the general right of direction and supervision.[1] In the immigration service appeals are allowed to the secretary of labor upon the admissibility of an alien.[2] In the grant of land patents an appeal is allowed to the secretary of the interior, although the bulk of the work is handled by a board of appeals.[3]

Effective supervision of a department by its chief is sometimes alleged to be impossible on account of the obstructive tactics of officials in the classified service who disagree with the program of the political head and who sabotage him as far as possible. Such a practice normally can only be deplored, although at times there has been fair ground for suspicion that the political chief was interested really in a vacancy "for the good of the party." It is the clear obligation of the permanent official to accept loyally the program of the department head, within the terms of the law. He may think the policy unwise and sure to lead to unfortunate consequences, but his duty is to obey, after presenting his views to his superior. This assumption of loyalty is the main link of the chain of responsibility which binds the administration to the city council, the state legislature, or Congress; and only by proper loyalty can a permanent hierarchy expect freedom from interference and meddling of legislators, conscientious and otherwise.

The relationship has been admirably stated in a well known passage in the Government of England.[4]

[1] *Butterworth vs. United States*, 112 U. S. 50, 57, quoted by F. J. Goodnow, *Principles of Administrative Law of the United States*, p. 146 (1905).
[2] See Louis F. Post, "Administrative Decisions in Connection with Immigration," *Am. Pol. Sci. Rev.*, vol. 10, pp. 251-262 (1916).
[3] C. R. Pierce, "The Land Department as an Administrative Tribunal," *Am. Pol. Sci. Rev.*, vol. 10, pp. 271-290 (1916); E. C. Finney, "The Board of Appeals, Department of the Interior," *Am. Pol. Sci. Rev.*, vol. 10, pp. 290-296 (1916).
[4] A. L. Lowell, *Government of England*, vol. 1, p. 173.

Referring to the permanent officials, President Lowell writes:

> Experts acting alone tend to take disproportionate views, and to get more or less out of touch with the common sense of the rest of the world. They are apt to exaggerate the importance of technical questions as compared with others of a more general nature—a tendency which leads either to hobbies, or, where the organism is less vigorous, to officialism and red tape. . . . In order, therefore, to produce really good results, and avoid the dangers of inefficiency on the one hand, and of bureaucracy on the other, it is necessary to have in any administration a proper combination of experts and men of the world.

And at a later page,

> The theoretical relation between the political chief and his permanent subordinate is a simple one. The political chief furnishes the lay element in the concern. His function is to bring the administration into harmony with the general sense of the community and especially of Parliament. He must keep it in accord with the views of the majority in the House of Commons and conversely he must defend it when criticized, and protect it against injury by any ill-considered action of the House. He is also a critic charged with the duty of rooting out old abuses, correcting the tendency to red tape and routine, and preventing the department from going to sleep or falling into ruts; and, being at the head, it is for him, after weighing the opinion of the experts, to decide upon the general policy to be pursued. The permanent officials, on the other hand, are to give their advice upon the questions that arise, so as to enable the chief to reach a wise conclusion and keep him from falling into mistakes. When he has made the decision they are to carry it out; and they must keep the department running by doing the routine work. . . . It is easy enough to state a principle of this kind, but in practice it is very hard to draw the line.

No department chief is omniscient; he cannot take the personal responsibility for all that goes on in a large department. He is obliged to delegate authority. He must authorize some of his subordinates to take action in his name in cases of lesser importance, and to act without consulting him in the premises. He may, nevertheless, be obliged to bear the responsibility although he has never heard of the particular case and would have himself decided differently. The dangers to which he is thus exposed may be mitigated somewhat by his own power to insist that important matters, or certain types of questions, be in every instance sent over his desk. But he is always potentially at the mercy of the judgment of his subordinates as to what are "important matters,"

and may unexpectedly find himself in a very awkward position. He has also some assurance in the fact that the permanent officials know with an uncanny certainty born of long experience what matters are likely "to make trouble."

On the whole, the reorganized departments of city manager cities and of state governments are endowed with substantial means of internal control. The problem does not seem to have been given much systematic thought, but the director is usually given an ultimate power of removal, some power of discipline, considerable authority to assign duties and to transfer and lay off personnel, and full opportunity to confer with and supervise his subordinates. But he may often be unable to use his authority on account of the political importance of some of his subordinates, the power of trade unions in his service, or his own reluctance to set his men against him.

The problem of supervision changes form depending on the nature of the work supervised. Consider, for instance, the following cases: (1) the secretary of the interior and the patent office, (2) the Illinois department of education and registration and the geological survey, (3) the finance department and the Illinois tax commission, (4) the superintendent of streets of Chicago and the district superintendent, (5) the commissioner of health and the laboratory technician. Where subordinates have wide discretionary power, as in the patent office, or the tax commission, the amount of control tends inevitably to a minimum; where the work is technical in nature, and the superior is not a technician, as in the case of the geological survey, the same result occurs. But where he may be also a technician, as in the case of the superintendent of streets and of the health laboratory, the supervision may be specific and detailed as far as time permits. In general it may be suggested that a non-technical superior can hardly do more than to assure himself of the general competence of his technical subordinates; their daily performance must escape him. Some illuminating research invites students of administration at this very point.

4. Function of the Head of a Department.

The foregoing considerations lead into the discussion of the function of the head of the department. His rôle within the department is determined in part by his relation to the chief

executive and the legislative body, in part by conditions inherent in the leadership of an organized body of men and women such as is found in public offices. The chief executive may assign his department heads unlimited freedom, requiring them only to show results, or he may keep a close hand upon their work. The nature of the relation which the mayor bears to administration may be either advisory, supervisory, or active and managerial. Mayor Blankenburg, when he appointed each of his directors, said to them, "You have absolute control of your department. The responsibility must be yours. Come and consult me whenever you wish, but for results I look to you." Mayor Mitchell, however, took a different attitude. Speaking before the Academy of Political Science he said, "It has seemed to me that the mayor ought to be more than merely the head of the city government sitting in the city hall ready to receive the public, appointing the heads of departments and sending them out to make good independently, or to fail independently; that he ought to be really the business manager of the city of New York, that he ought to have the close contact that would enable him to become an effective business manager. There are problems of pure administration in the departments that ought to come back to the mayor for settlement. There are problems of policy in the departments that ought to come back to him for settlement." [1]

Whether or no the chief executive selects the immediate subordinates of the department chiefs, as in Illinois, or the contrary, as in Ohio, also makes a substantial difference in the position actually held by the director or commissioner.

Disregarding the anomalous case of commission governed cities, the relations of a department head to the legislative body may vary within the widest limits, depending on established customs as well as the personal prejudices of legislators and officials.

In general it may be said that except in small and homogeneous departments it is not the business of the department head to "run" the department, but rather to see that competent persons run it competently. His task is one of supervision, adjustment, control, rather than of actual operation.[2] It must always be remembered that normally the head of a department, municipal,

[1] *Proceedings of the Academy of Political Science*, vol. 5, p. 492, quoted in Story, *The American Municipal Executive*, pp. 74-76 (1918).

[2] In the smaller municipalities this statement would require modification.

state, or federal, has attained his position because he is important politically. His interests are therefore naturally political in large measure. He is by reason of his origin usually not technically prepared to operate the department at first hand.[1] He may nevertheless be admirably fitted to perform many duties of a director. Each department is constantly bumping into other departments, requiring much give and take, for which the diplomacy of the political guild is well adapted. So also each department has its contacts and conflicts with the public, making press relations and the like of great importance. The man of the world may be eminently fitted to work with the press, protecting his department from unjust assault and appealing effectively to various types of organized groups. Always the department has to reckon with legislative committees, especially appropriation committees, and here the political department head may secure results for his organization far beyond those which a permanent official, without the political *savoir faire* of the layman, could hope to obtain. Inquiry among scientists working in state bureaus indicates that on the whole they welcome the freedom from a distasteful job which comes when the head of the department "goes to the front" for them before the appropriations committee.[2]

Within the department the director or commissioner has distinct duties to perform. He must sign an immense number of official papers, trusting to his subordinates in many cases for the preliminary consideration and decision.[3] He frequently appoints

[1] But health departments now usually secure competent physicians as commissioner; almost always in the larger centers. In public works, engineers are likely to be competent; in legal advice, city attorneys and attorney generals are sometimes incompetent.

[2] *See* National Research Council, *Bulletins 29* and *49*.

[3] "I come to the department every morning at half past eight o'clock. I dictate from that time until 9 o'clock, and then the heads of the departments and the Assistant Secretary, who have charge of various activities in the department, come in and confer with me for a half hour; then visitors for whom appointments have been made come in, and generally that continues throughout the forenoon unless I send for heads of various bureaus whose activities do not go through the General Staff, like the Chief of Engineers, or the Judge Advocate General, and a half-dozen others. And in the afternoon I take up General Staff matters, at 2 o'clock, and that conference concludes perhaps at half past four o'clock; and then I finish the day seeing people whom I wish to see or who wish to see me.

"So, if I read—and only the most important letters that go out of the department are brought to me for signature—if I read those letters, I could not do anything else during the day. I have got to accept the general statements in the letters; and that is all that I can do."

Hearings before the Joint Committee on the Reorganization of the Administrative Branch of the Government, 68th Congress, 1st Session. January

a greater or lesser number of his subordinates, depending upon the scope of the merit system on the one hand and the governor's or mayor's appointing power on the other. He is usually authorized to "prescribe regulations, not inconsistent with law, for the government of its (i. e. the department's) employees and clerks, the distribution and performance of its business, and the custody, use and preservation of the records, books, documents, and property pertaining thereto." He is usually indicated also by law as the only departmental official empowered to issue rules and regulations affecting private right.

Ordinarily the power of removal can be exercised only by him. He is the court of last resort in intra-departmental disputes. He must adjust in some manner the ceaseless flow of personal misunderstandings and the rivalries of overlapping jurisdictions. He hears and determines, usually without recourse to the chief executive except on a question of jurisdiction, appeals by individuals from the decisions of subordinates. He may thus determine in some cases very important issues of private right, holding in his hands the happiness of individuals as well as the protection of society or the state.[1]

It is the head of the department who enjoys the prerogative of fixing the main lines of departmental policy, within the terms of statute. This may mean much or little depending upon a variety of circumstances. If the department is old and well established, with a permanent staff, dealing with a settled social situation on the basis of stable statutes, a department head may have little opportunity for constructive planning. But if the office is new, and deals with an unexplored or changing social situation, requiring constant shifting of emphasis and free from restrictive statutes, then the real joy of the administrator's life is attained in full measure. He can plan. He must plan. He has to pit his brains against circumstances or men and fight his way through to success.

The importance of these key positions has often been emphasized. Upon them depends in large measure the proper working of the administrative machine. In an ideal type of administration the real motive power would come from the permanent officials, who, animated by professional motives and informed by

7-31, 1924, p. 3. Statement of Hon. John W. Weeks, Secretary of War; cf. W. C. Redfield, *With Congress and Cabinet*, pp. 146-153 (1924).

[1] For example, public domain, immigration, health administration.

wide experience, would vision the great possibilities of public effort. This type of administration may develop. At present the driving force, the guiding inspiration is more likely to come, when at all, from the chief executive and his appointees in the departments. To them we now look for the broad vision, the courage, and the determination to undertake great things and to achieve them.

The department head occupies, however, a position which is beset with serious potential weakness. He is himself, as already observed, usually a political appointee, and not always technically competent. Heavy drafts are made on his time to consider political questions.[1] He may be caught between the upper and nether millstones of an aggressive chief executive and a group of resistant bureau chiefs. He always can count on an ingrained inertia in any established department. He may expect opposition, usually devious and subtle, from some of his own party members who would like to occupy, or to nominate the occupant, of his position. He is, like his chief, sometimes caught between the cross fires of the demands of his party organizations and of the reformers. But granting all this, he has many times a splendid opportunity for constructive service.[2]

5. Qualifications of Chief Administrators.

American legislation is chiefly barren of standards of professional or technical competence for the high positions whose duties were described in the preceding paragraphs. In the Massachusetts legislation of 1919, twenty departments were established, but for only two of these were any qualifications whatever imposed. The director and at least two of the associate members of the

[1] *Cf.* the following account of Secretary Redfield:

"A certain Senator from Georgia, full of years and dignity, was one of numerous statesmen whose constituents wanted jobs. He called one day, accompanied by an applicant. In my office was a Representative on a similar errand.

"'I am Senator ———, of Georgia,' said the gentleman to my secretary. 'I wish to see Mr. Redfield.'

"'Please wait a moment, the Secretary is engaged,' was the reply.

"The Senator looked hard at my assistant, and remarked, 'Senators are not supposed to wait a moment.' He came in. The Representative did not mind; he was probably used to it." *With Congress and Cabinet*, pp. 26-27 (1924).

[2] On this general topic see E. D. Graper, *American Police Administration*, pp. 44-53 (1921); Debates of the Massachusetts Constitutional Convention (1918), vol. 3, pp. 1045 *et seq.;* New York Constitutional Convention (1915) Debates, vol. 3, pp. 3339 *et seq.;* A. L. Lowell, *Government of England*, ch. 8.

commission of mental diseases are required to be physicians and experts in the care and treatment of the insane, and the commissioner of health is to be a physician skilled in sanitary science and experienced in public health administration. So far as the law is concerned, the commissioner of agriculture need know nothing about farm problems, the commissioner of conservation nothing about forestry, the commissioner of education nothing about the training of young people, the commissioner of public works nothing about engineering.

In the next lower level of the hierarchy, however, a slight trace of technical competence appears. The directors of forestry and of fish and game must be "qualified by training and experience"; but the director of public libraries need know nothing about libraries, the director of education of aliens nothing about either education or aliens, the deputy commissioner of civil service nothing about personnel or the technique of tests.

The Illinois Code prescribes no qualifications for the heads of departments; nor is it more careful with regard to the subordinate officers. But the advisory boards are required by law to have special qualifications, (1) of technical expertness, (2) of class representativeness, (3) of impartiality, (4) of geographical location. All this does not mean of course that untrained or incompetent persons are selected for these positions; it means merely that they may be. The real guarantee of competence certainly does not lie in statutory prescriptions, but it is of interest to note the apparent indifference of legislative bodies to technical qualifications for this range of positions.

Many careful studies are needed to determine what types of persons are actually selected to fill these offices. Some have made brilliant performances; others have been sent to jail; many have enabled routine work to continue without interruption. Other studies are needed to disentangle the qualities of mind and character which give greatest promise of success in the higher levels. To a certain degree these levels are recruited from the classified service; and a steady flow of qualified material within the service becomes essential. Much would be gained if we could say with reasonable certainty that of one hundred entrants, three, Jones, Smith and Green, possess the peculiar combination of temperament and character which fit them after experience for the highest supervisory positions. At the present moment we neither know

the combination nor take pains to deal specially with those who are suspected of being promising material.

6. The Advisory Function.

More and more clearly it is becoming evident that administration must proceed on the basis of consent. Our democratic political institutions have always been placed upon this solid foundation, and the final achievement of woman suffrage marks the culmination of this principle. Substantially all classes of the population may now participate freely in the political life of the country (excepting the Southern negro) and may bring their influence to bear in formulating the law by which they are bound.

Owing in part to its immaturity and its early simplicity our administrative system has been only very imperfectly adjusted to the need for securing assent. The law defining administrative duties has ordinarily spoken in categorical terms, leaving open no opportunity for useful conference to secure consent. But gradually the law began to grant officials a measure of discretion which was enlarged until today in some fields it has become the characteristic symbol of modern methods. Now the achievement of administrative discretion has opened the door wide to the opportunity for conference with interested groups in order to enable the official to proceed where possible with a prior understanding and agreement. For assent is fundamentally a matter of conference, discussion, adjustment, all leading toward the establishment of confidence through understanding.

Our legislative technique has long recognized this fact. The election of representatives and the guarantees of freedom of speech on the floor of the house are intended to secure that consent of the body politic shall be prerequisite to action. This is extended one step farther by the right of petition and the development of committee hearings where the public may express its views directly. It is also reflected in the institution of the referendum, applied to constitutional and statutory changes.

The importance of conference in matters of administration has been greatly stressed in the last two decades. The Governor's Conference, established in 1908, was an important innovation. Of a similar nature, but somewhat more professional in character are the conferences held by such groups as the state secretaries, the police chiefs, and the public accountants. These do not

mediate with the public, however. Of greater significance from the present point of view are such meetings as the President's Agricultural Conference (1922), Secretary Hoover's Radio Conferences (1922 to date), the Conference on Unemployment (1921), and the National Conference on Street and Highway Safety (1924).[1]

The natural development of this idea is the establishment of permanent advisory boards. This evolution is well under way. For purpose of illustration the provisions of the Illinois Administrative Code may be taken as a model. The code establishes these advisory boards, each representative in character.[2]

Board of agricultural advisors.
Board of free employment office advisors.
Board of local free employment office advisors.
Board of art advisors.
Board of water resource advisors.
Board of highway advisors.
Board of parks and buildings advisors.
Board of public welfare commissioners.
Board of natural resources and conservation advisors.
Board of state museum advisors.

Each advisory board is endowed with the following powers and duties: (quoting from the statute), "to consider and study the entire field; to advise the executive officers of the department upon their request; to recommend on its own initiative, policies and practices, which recommendations the executive officers shall duly consider, and to give advice to the governor and the general assembly when so requested or on its own initiative; to investigate the conduct of the work of the department with which it may be associated . . ."

President Garfield of Williams College, in an address to the American Political Science Association, offered a carefully worked out plan for the more extensive and intelligent use of advisory boards, a plan drawn in part from his experience as fuel administrator during the war. President Garfield established an official advisory group comprising experienced mining engineers, operators and mine workers, which was invariably consulted in exercising such power as fixing the price of coal. "As a result of their

[1] *See* Edward E. Hunt, *Conferences, Committees, Conventions, and How to Run Them* (1925).
[2] In addition some responsible boards are representative in character.

experience, it became clear to the operators, mine-workers, and officials connected with the fuel administration that a principle of first-rate importance to the conduct of public business had been developed. The principle was that the determination of facts and the formulation of policy are two separate functions and should not be performed by the same agency, and that a body advisory to the policy determining agency should not be clothed with power."[1]

It is essential to the value of such an agency that it be representative, for if it is to be the mechanism for the achievement of consent, it must be able to speak for those whose interests are affected. The Illinois administrative code permits the governor to select the members of the advisory boards, but certainly nothing would be hazarded in allowing the organized interests to nominate to the governor. This principle has already been recognized and may properly be extended in this case.

Care needs to be taken in two directions in organizing such advisory boards. On the one hand they must be discouraged from attempting to govern; on the other hand they must be encouraged to take an initiative in developing plans. Laski suggests that they should not direct or control administration, prepare policy, commit outside bodies to agreement, nor should they have access to information about the proposed purchase of materials. He thinks of the major functions of the committee as (1) prior consultation on all proposed bills, (2) consultation on general administrative policy, (3) presentation of suggestions, (4) consultation on department rules and orders. "They will rather communicate opinion than actually either administer or legislate." But Laski suspects that they will eventually become organs of government, using the rule making power to build up over and above certain minima established by law higher standards which the social opinion of a given group will approve.[2]

[1] Harry A. Garfield, "Recent Political Developments: Progress or Change?", *Am. Pol. Sci. Rev.*, vol. 18, pp. 1-17 (1924).
[2] Harold J. Laski, *Grammar of Politics*, pp. 376-387 (1925). *See also* Jessie M. Turner, "Democracy in Administration," *Am. Pol. Sci. Rev.*, vol. 17, pp. 216-230 (1923).

CHAPTER EIGHT

THE REORGANIZATION OF ADMINISTRATION

An historical survey of the expenditures of the federal government convinces us that something may be done to lower the costs of present day administration; but that not so much can be accomplished as is often believed by sanguine and untrained observers. I do know that substantial reductions in expense may be accomplished by painstaking and special effort;—persons who come into the government fresh from other fields of endeavor or more particularly who view the processes of government from a distance, sometimes have a tendency to imagine that enormous cuts in expenditure can be effected without difficulty, and to believe that they have discovered some magic remedy for what they term extravagance and waste which curiously enough has escaped the attention of those who are struggling in Congress and the executive branch day after day and month after month. I do not wish to disparage these persons; they often furnish the enthusiasm and initiative which bring about improvements.

Herbert D. Brown.

In any large enterprise where a multiplicity of services are performed, there is no single scheme of reorganization that can claim any exclusive right to be scientific. Even from the point of view of relation of function there are invariably possible alternatives.

Howard L. McBain.

1. The Reorganization Movement.

The processes whose correction is now sought in the movement for reconstruction of American administration were observed nearly a century ago by de Toqueville, who wrote, "There is no point which serves as a center to the radii of the administration."[1] These processes contributed ultimately a degree of decentralization and disintegration in which the courts and the parties were the only means of securing administrative harmony and unity; and neither of these agencies was able to set standards of efficiency. Governor Russell devoted a large part of his message to the Massachusetts legislature in 1892 to the urgent necessity for dealing with the executive branch. He said, "In my judgment the time has come when the attention of the legislature ought to be directed to the executive branch of our government,

[1] Quoted in A. N. Holcombe, *State Government in the United States*, p. 283 (1916).

to the great increase of its duties, the lack of uniformity or system in the organization created for their discharge, and its entire absence of responsibility, except in the high character and conscientious service of officials in its various departments." [1] A decade later a competent student wrote, "It hardly seems possible that the present system of almost independent commissions can be permanent. They fail to work in harmony, to cooperate, to give each other the benefit of experience that might be helpful. . . . Eventually, departments will be formed in most states, I believe, and perhaps there will be attached to them advisory councils. . . . The governor will be the head of the administrative system, and responsible for its proper management." [2]

Although the decade from 1900 to 1910 was devoted primarily to the extension of popular control over government (initiative, referendum, short ballot, direct primary, recall) and to the campaign against the trusts, in municipal government fundamental changes were taking place in the field of administration incidental to the commission plan of city government, and later the manager plan. The decade from 1910 to 1920 (and extending well into the present decade) was, however, deeply concerned, in domestic affairs, by the general problem of administrative reorganization. In 1909 the People's Power League in Oregon proposed a comprehensive plan of reform, including the appointment for an indefinite term of a state manager who was to assume technical charge of a large part of the state's business, and bringing the governor into close touch with the legislature as a leader in formulating policy. In 1912 President Taft's important Commission on Economy and Efficiency ushered in an era of study and investigation in which over thirty states made systematic and intensive inquiries into their administrative structure and methods, leading to many reforms.[3] Other studies were made of the federal problem, and legislation is now pending in Congress.

Meanwhile the short ballot movement, initiated to strengthen

[1] Quoted in Paul S. Reinsch, *Readings on American State Government*, p. 1 (1911).

[2] F. H. White, "Growth and Future of State Boards and Commissions," *Political Science Quarterly*, vol. 18, pp. 631-56 (1903). Cf. Gamaliel Bradford, "Reform of Our State Governments," *Annals*, vol. 4, pp. 883-903 (1894); L. A. Blue, "Recent Tendencies in State Administration," *Annals*, vol. 18, pp. 434-445 (1901).

[3] Consult G. A. Weber, *Organized Efforts for the Improvement of Methods of Administration* (1919), and for a more recent list of research agencies, *Public Business*, No. 86 (June 1, 1924).

popular control of government and to relieve the voter of an impossible civic task, was discovered to play directly into the hands of the advocates of unity and responsibility in administration.[1] The budget movement, initiated in part to clarify the work of legislatures and in part to secure greater economy in expenditures, likewise was found to be another essential element in the new conception. The item veto, designed to curb pork-barrel appropriations, was later readily transformed into a continuing power of expenditure control, effectively curbing administrative extravagance as well as legislative greed. The lessons of business organization and "scientific management" began to take root also in governmental circles, strengthening tendencies which already were converging upon executive responsibility and leadership.

In 1915 Holcombe declared, "The process of centralization must go further, the process of integration must go much further, before the state governments can satisfactorily perform the newer duties that are pressing upon them." [2] What Holcombe had in mind was the radical transformation of the condition revealed in the report of the Illinois Efficiency and Economy Committee which had just been published.

The chart facing this page illustrates graphically the then prevalent situation.

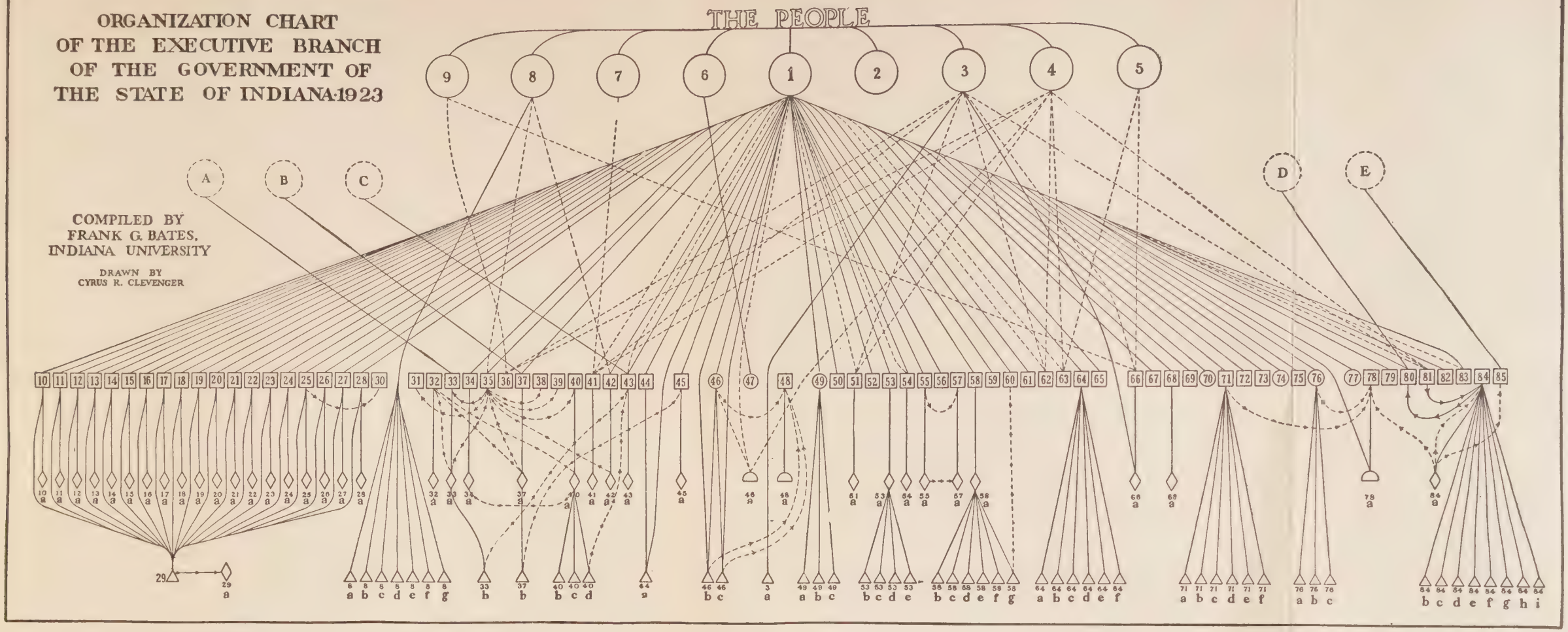
The dominant conscious objective of the reorganization movement is economy. Estimates of the savings arising from a reorganization of the federal administration range all the way from $100,000,000 to $500,000,000 according to the optimism of the calculator. The movement is immediately and directly attached to the outcry against high taxes and enormous governmental expenditures. Those who delve more deeply speak of the elimination of social waste and the most complete achievement possible with available resources. Other objectives such as efficiency, increase of executive power, more effective leadership and the like are either incidental by-products or means to secure the real end of economy.

The means which the present reorganization movement is employing include (1) the concentration of power to make con-

[1] Note especially the triumph of the short ballot and administrative reorganization in New York through popular approval of a constitutional amendment, 1925, after ten years' continuous effort.

[2] A. N. Holcombe, *op. cit.*, p. 326.

ORGANIZATION CHART OF THE EXECUTIVE BRANCH OF THE GOVERNMENT OF THE STATE OF INDIANA 1923



COMPILED BY
FRANK G. BATES,
INDIANA UNIVERSITY

DRAWN BY
CYRUS R. CLEVENGER

EXPLANATIONS

Large Circles at top of chart indicate officers elected by the people.

Circles of *Broken Lines* and *Lettered* indicate non-governmental organizations.

Squares indicate distinct administrative agencies in board form or governed by boards.

Small Circles indicate distinct administrative agencies with single individual head.

Triangles indicate subdivisions or subordinates of administrative agencies, established by law or by departmental regulation.

Diamonds indicate executive officers of boards and commissions.

Semi-circles indicate boards advisory or supplementary to the head of an administrative agency.

Full Lines are lines of appointment, and extend from the appointing officer to the person or persons appointed.

Dotted Lines indicate an ex-officio relationship.

Lines of appointment and ex-officio relationship should be read downward unless otherwise indicated. When the reading should be horizontal or upward the proper direction is indicated by arrow-points.

KEY

1. Governor.
2. Lieutenant-Governor
3. Secretary of State.
   - 3a. Automobile Department.
4. Auditor.
5. Treasurer.
6. Supreme Court.
7. Reporter of the Supreme Court.
8. Superintendent of Public Instruction.
   - 8a. Division of Teacher Training.
   - 8b. Division of Elementary and High School Inspection.
   - 8c. Division of Licensing of Teachers.
   - 8d. Division of Vocational Education.
   - 8e. Division of School Attendance.
   - 8f. Division of Vocational Rehabilitation.
   - 8g. Division of Schoolhouse Planning.
9. Attorney-General.
10. Central Hospital for the Insane.
    - 10a. Superintendent.
11. Northern Hospital for the Insane
    - 11a. Superintendent.
12. Southern Hospital for the Insane.
    - 12a. Superintendent.
13. Southeastern Hospital for the Insane
    - 13a. Superintendent.
14. Eastern Hospital for the Insane.
    - 14a. Superintendent.
15. State Sanatorium.
    - 15a. Superintendent
16. Boys' School.
    - 16a. Superintendent
17. Girls' School.
    - 17a. Superintendent
18. State Prison.
    - 18a. Warden.
19. Reformatory.
    - 19a. Superintendent
20. Woman's Prison.
    - 20a. Superintendent.
21. State Farm.
    - 21a. Superintendent.
22. Village for Epileptics.
    - 22a. Superintendent.
23. School for the Deaf.
    - 23a. Superintendent.
24. Soldiers' and Sailors' Orphans' H
    - 24a. Superintendent.
25. School for the Blind.
    - 25a. Superintendent.
26. Soldiers' Home.
    - 26a. Commandant.
27. School for Feeble-Minded Youth.
    - 27a. Superintendent.
28. Farm Colony for Feeble-Minded.
    - 28a. Superintendent.
29. Joint Purchasing Committee.
    - 29a. Secretary.
30. Board of Industrial Aid for the Blind.
31. Attendance Board.
32. Legislative Reference Bureau.
    - 32a. Director.
33. Indiana University.
    - 33a. President.
    - 33b. Director, Historical Survey.
34. Public Library Commission
    - 34a. Secretary.
35. Board of Education.
36. Board of Canvassers.
37. Purdue University.
    - 37a. President.
    - 37b. Dean of Agriculture.
38. Teachers' Training Board.
39. Textbook Commission.
40. State Library.
    - 40a. Librarian.
    - 40b. Reference Department.
    - 40c. Catalogue Department.
    - 40d. Department of Indiana History and Archives.
41. Board of Public Printing.
    - 41a. Clerk.
42. Normal School.
    - 42a. President.
43. Historical Commission.
    - 43a. Secretary.
44. Tax Commission.
    - 44a. Inheritance Tax Investigator.
45. Board of Agriculture.
    - 45a. Secretary.
46. State Examiner.
    - 46a. Board of Accounts.
    - 46b. Deputy Examiner.
    - 46c. Deputy Examiner
47. Law Librarian.
48. Board of Certified Accountants.
    - 48a. Advisory Board.
49. Bank Department.
    - 49a. Bank Department.
    - 49b. Building and Loan Department.
    - 49c. Loan and Credit Department.
50. Board of Pharmacy.
51. Board of Public Buildings and Property
    - 51a. Superintendent of Buildings.
52. Trustees of Teachers' Retirement Fund.
53. Highway Commission.
    - 53a. Director
    - 53b. Auditing Division.
    - 53c. Construction Division.
    - 53d. Maintenance Division.
    - 53e. Motor Transport Division.
54. Board of Charities.
    - 54a. Secretary.
55. Live Stock Sanitary Board.
    - 55a. State Veterinarian.
56. Board of Medical Examination and Registration.
57. Veterinary Examination Board.
    - 57a. Secretary.
58. Conservation Commission
    - 58a. Director.
    - 58b. Division of Geology.
    - 58c. Division of Entomology.
    - 58d. Division of Lands and Waters.
    - 58e. Division of Fish and Game
    - 58f. Division of Engineering.
    - 58g. Division of Forestry
59. Board of Optometry.
60. Nancy Hanks Lincoln Burial-Ground Board
61. Board of Embalmers
62. Charter Board.
63. Finance Board.
64. Public Service Commission.
    - 64a. Division of Tariffs.
    - 64b. Division of Accounting.
    - 64c. Division of Railroad Inspection
    - 64d. Division of Library.
    - 64e. Division of Service.
    - 64f. Division of Engineering.
65. Voting Machine Commission.
66. Securities Commission.
    - 66a. Securities Administrator.
67. Board of Registration and Examination of Nurses.
68. Battle Flag Commission.
    - 68a. Superintendent.
69. Advistry Juvenile Commission.
70. Juvenile Probation Officer.
71. Industrial Board.
    - 71a. Department of Compensation.
    - 71b. Department of Factory and Building Inspection
    - 71c. Department of Boilers.
    - 71d. Department of Mines and Mining.
    - 71e. Department of Women and Children.
    - 71f. Department of Free Employment Service.
72. Board of Control of Soldiers' and Sailors' Monument.
73. Board of Registration of Engineers.
74. Insurance Department.
75. Memorial Art Commission.
76. Fire Marshal
    - 76a. Arson Division.
    - 76b. Inspection Division.
    - 76c. Legal Division.
77. Adjutant-General.
78. Administrative Building Council.
    - 78a. Advisory Council.
79. World War Memorial Trustees.
80. Board of Dental Examiners.
81. Board of Appointment of the Board of Health.
82. Board of Pardons.
83. Election Commissioners.
84. Board of Health
    - 84a. Secretary.
    - 84b. Venereal Division.
    - 84c. Laboratory of Hygiene.
    - 84d. Infant and Child Hygiene Division.
    - 84e. Tuberculosis Division
    - 84f. Statistical Division
    - 84g. Housing Division.
    - 84h. Nursing Division.
    - 84i. School Hygiene Division.
85. Anatomical Board.

A. Alumni of Indiana University.
B. Alumni of Purdue University.
C. Indiana Historical Society.
D. State Dental Association.
E. Medical and Dental Schools.

clusive administrative decisions, (2) the development of an independent review of administrative decisions, each of the foregoing involving the principle of subordination and the development of a hierarchy, (3) the more precise definition of responsibility, and (4) the greater coordination of effort, which is reflected chiefly in the reassortment of agencies to combine them into homogeneous units. By-products of the movement include the notable increase in the power and prestige of the chief executive, raising ultimately a problem of effective control, greater efficiency, long time planning, especially in such tangible matters as building programs, the partial elimination of voluntary effort, and a keener public interest in the affairs of government. Some of these by-products may appear ultimately to have an importance equal to or greater than the immediate objectives.[1]

2. Some Reorganized Administrative Systems.

Improvement in methods of administration came in municipal government almost as an accident. A tidal wave demolished a

[1] Buck presents the general principles involved as (1) the functional departmentalization of administrative activities, (2) fixing definite lines of responsibility for all departmental work, (3) proper coordination of the terms of office of administrative officials, (4) abolition of boards for purely administrative work. See his *Administrative Consolidation in State Government*, pp. 3-4, third edition, published by the National Municipal League (1924).

The New York Reconstruction Commission summarized the recommendations of earlier commissions as agreeing that economy and responsible government can only result from:

1. The consolidation of offices, boards, and commissions into a few great departments of government, each of which is responsible for the conduct of a particular major function such as finance, health, welfare, or public works.
2. Vesting the power of appointment and removal of department heads in the governor; making him in fact, as well as in theory, the responsible chief executive of the state. There is a difference of opinion as to the desirability of confirmation of the governor's nominations by the senate.
3. A consolidated budget system with accounting control over spending officers.

The Pennsylvania Commission on Constitutional Amendment and Revision suggested the following generally admitted principles:

1. The work of the executive branch should all be concentrated in a limited number of departments—each directly responsible to the governor.
2. The governor should be free to devote his time to general direction and supervisory control.
3. The governor should have the power to appoint all persons acting as heads of departments, except of the department or departments created to act as a check on expenditures.
4. One person should not be an officer or exercise functions in two departments.
5. Appropriations for expenditures should be under an executive state budget system.

"Every one of them is violated in the existing organization of our state government." William Draper Lewis, Memoranda and Briefs, No. 22, Pennsylvania Commission on Constitutional Amendment and Revision, *Journal of Proceedings*, vol. 2, p. 910 (1919).

half of Galveston; a financial and political municipal crisis ensued; a "Roman dictatorship" was extemporized to save the day. The results were so remarkable that what appeared to be a dictatorship revealed itself as a proper, even democratic, method of local government for normal times. For some years, however, interest in the commission plan was primarily political; then when attention turned to the administrative aspects of the plan, two fundamental weaknesses (elective administrators and independent administrators) quickly brought the city manager plan into the foreground. The enormous vogue of the manager plan rests upon its undoubted superiority to other forms of municipal administration. It supplies (1) professional administrative competence at the very head of municipal business, (2) relative permanence of tenure, (3) complete centralization of responsibility, (4) full opportunity for coordination and supervision, (5) a proper relationship between administration and the city council or commission. Its limitations are to be found, if at all, in the lack of an adequate supply of men of sufficient training and experience, endowed with the rare combination of qualities essential to the post of manager.

In the state government there are two distinct tendencies, one seeking to secure economy through an administrative hierarchy under the direct control of the chief executive, the other seeking about the same ends through the medium of semi-autonomous agencies substantially free from direct executive control. Illinois is the best known illustration of the former type, New Jersey perhaps the most extreme example of the latter. Such organizations as the bureaus of municipal research, the Governmental Research Conference, the City Manager's Association, and most taxpayers' leagues, chambers of commerce and the like usually favor the Illinois plan; the social service workers, some educational groups and others favor the New Jersey plan.

New Jersey has gone far in the direction of creating administrative commissions independent of any one governor. By legislation begun in 1915 and continued in succeeding sessions, this state has established a number of consolidated departments. The governor serves for a three year term; the department of labor is managed by a commissioner appointed by the governor with the consent of the senate for five years. The departments of agriculture, shell-fisheries, commerce and navigation, conserva-

tion and development, and charities and corrections are substantially removed from the control of the governor. Each is under the direction of a board of eight members, and in three cases not more than four may belong to the same political party. The members of these boards are appointed by the governor with the consent of the senate for overlapping terms longer than that of the governor. In the case of the department of agriculture, the governor's appointments are nominated by certain organizations. All of these boards choose and control the heads of their respective departments. The secretary of agriculture is within the classified service.

The administrative work of New Jersey has thus been placed in a group of commissions, apparently with the intention of protecting it from the governor. He is a member of the state house commission, comprising also the state treasurer and comptroller, both independent constitutional officers elected by the senate and general assembly in joint session. The commission may transfer funds within appropriations granted to any department and controls the contingency funds.[1] Other states substantially similar to New Jersey include Wisconsin,[2] Michigan,[3] and Indiana.[4]

The Illinois Civil Administrative Code was preceded by a thorough study of the state government by the Efficiency and Economy Committee, whose extensive report still remains one of the most important documents of its kind. The main achievements of the Administrative Code included (1) the replacement of over one hundred statutory offices, boards, departments and agencies by nine (now eleven) departments, (2) the wide application of the principle of subordination in place of the principle of independence, (3) the choice of a single head in preference to the commission, (4) the general grant of all power in the department to the director thereof, (5) the extension of the appointing power of the governor to over forty important subordinate officials, (6) the firm establishment of a far-reaching plan of

[1] W. F. Dodd, *State Government*, pp. 254-56 (1922).
[2] Laws 1915, ch. 606.
[3] Laws 1921, *passim*. *See also* L. D. Upson, "State Reorganization in Michigan," *Am. Pol. Sci. Rev.*, vol. 15, pp. 579-581 (1921), and "The Organization of State Administration in Michigan," *Public Business*, no. 90 (1924).
[4] Partial reorganization only; *see* Laws 1919, ch. 53, 60. In general *see* W. F. Dodd, *op. cit.*, ch. 10.

central fiscal control, (7) the definition in general terms of the status of advisory boards, (8) as a result of all this, the great increase in the administrative power of the governor, and the creation for the first time in Illinois of the opportunity for effective executive leadership, and the establishment of an administrative machine which, rightly directed, bears within itself the possibilities of continuing self-improvement.

The Illinois Administrative Code did not change the existing situation with regard to the merit system. It absorbed some partial reorganizations of departments already achieved. It did not affect the position or status of the constitutional offices, nor did the Constitutional Convention of 1922 propose to amalgamate them with the Administrative Code. It allowed substantial autonomy to several quasi-judicial boards which were placed within some one of the nine departments. It did not eliminate all cases of overlapping jurisdiction but it provided adequate machinery for their proper adjustment from time to time. It did not alter the senate's power of confirming executive appointments, nor did it undertake specifically to lay down new principles of legislative-administrative relationship.

Judgments as to the success of the Illinois plan are varied. Buck declares, "This system has now been in operation over seven years. During this time it has proven not only to be the means of systematizing the state's business and of giving the people of the state better service at less cost, but it has shown that it can withstand successfully political changes in administration." [1] Mathews says of the code, "it has gone far toward introducing a scientific and efficient form of administrative organization in state government, and is undoubtedly one of the most comprehensive plans of administrative consolidation that has thus far been undertaken. No state, however, can expect to work out its political and governmental salvation through mere administrative machinery. The character of the men who work the machinery is equally, if not more, important." [2] Dodd says merely, "The legislation of 1917 and 1919 has materially simplified the administrative organization of the state under the governor, and has made it possible for the governor to exer-

[1] A. E. Buck, *Administrative Consolidation in State Governments*, p. 9 (3rd edition, 1924).
[2] J. M. Mathews, *American State Government*, p. 610 (1924).

cise a real control over the part of the state executive government under his authority."[1] Henry C. Wright, who made a careful first-hand study of the department of public welfare, makes the following comments in his report to the state Charities Aid Association.

In this form of governmental organization, the assignment of duties is clear, and the procedure for adjusting conflicts designed to be direct and speedy. (p. 17) There was no indication that the public welfare department has been interfered with by the director of finance, or by the director of public works and buildings. (p. 18) Thus far there seems to have been comparatively little delay in the progress of requisitions . . . there were surprisingly few modifications of requisitions. (p. 21) Political interference has not noticeably affected progressive programs of work. (p. 42) In the last analysis the speed and smooth working of the Illinois system must be weighed against the stability and slower progress of the Massachusetts and New York systems. In the formulation of a type of government for the handling of social problems and the control of institutions, emphasis should be laid on factors that will insure a continuity of procedure and program. Thus any system which does not secure a continuity of service of experienced and competent heads of departments and institutions is a defective and undesirable system. Steady accomplishment is of more value than speedy progress. (p. 46) Mr. Wright pointed out an "extreme danger" unless the heads of divisions in the department of public welfare were made permanent civil service officers. (p. 40).

Other states having substantially the same form of administrative organization as Illinois include Idaho.[2] Nebraska,[3] Massachusetts,[4] Ohio,[5] Maryland,[6] Pennsylvania,[7] Tennessee,[8] Vermont,[9] and New York.[10]

The Pennsylvania reorganization presents some interesting variations from the Illinois plan. Fourteen departments were established, directed by single heads, who are appointed by the governor with the consent of the senate for terms of four years.

[1] W. F. Dodd and Sue H. Dodd, *Government in Illinois*, p. 165 (1924). *Cf.* Illinois Constitutional Convention, *Bulletin*, no. 9, The Executive Department, prepared under the direction of Dr. Dodd.
[2] Laws 1919, ch. 135; 1921, ch. 69.
[3] Laws 1919, ch. 190; 1921, ch. 210.
[4] Laws 1919, ch. 350; 1922, ch. 545.
[5] Laws 1921, p. 105.
[6] Laws 1922, ch. 29.
[7] Laws 1923, Act No. 274.
[8] Laws 1923, ch. 7.
[9] Laws 1923, ch. 7, 8.
[10] Constitutional Amendment, 1925. Prior to this date, New York State administration was directed by the Board of Estimates and Control, Laws 1921, ch. 336.

An executive board is created consisting of the governor as chairman and four department heads selected by him. This board (in reality more exactly the governor working through the board) has wide powers. It controls the internal organization of the various departments and commissions; all laws relating to bureaus and divisions within the departments were repealed by the code itself. The board also standardizes salaries and wages, fixes working hours, allocates certain appropriations, investigates duplication and efficiency of work, and proposes plans for better coordination.

Subject to the board the department of state and finance operates a plan of central fiscal control which centralizes ultimate responsibility, but "deconcentrates" actual fiscal operations to a considerable extent. Thus in the matter of purchasing, the department of property and supplies is endowed with authority to purchase certain articles, but as to the articles used by the administrative boards and commissions, and especially the state institutions, the department of property and supplies has only the duty to "formulate and establish standard specifications." These standards must be accepted by the institution head before they are binding upon him; but if he does not accept them, he cannot lawfully purchase any such article unless he sends to the department the specifications which he prescribes and the price paid. "Under this plan there is centralization as to standards and information, with decentralization in purchasing for the outlying state institutions, under the full publicity control of the central officer." [1]

The departments are by no means so highly integrated as in the Illinois plan. Many boards and commissions in the several departments exercise their power independently of the department head. It is only in fiscal matters that they are under his supervision. The chief object in the minds of those responsible for the code was "reasonable centralization of fiscal responsibility with a proper decentralization in administration."

The general administrative methods of the federal government have been investigated from time to time, while there have been over one hundred special investigations.[2] The general surveys

[1] Clyde L. King, "Fiscal and Administrative Reorganization in Pennsylvania, *Am. Pol. Sci. Rev.*, vol. 17, pp. 597-608 (1923).

[2] G. A. Weber, *Organized Efforts for the Improvement of Methods of Administration* (1919), gives a list of these investigations, pp. 46-56.

include in later years the Cockrell Committee (1887-1889), the Dockery-Cockrell Commission (1893-95), the Keep Committee (1905-1909), and the President's Commission on Economy and Efficiency (1910-1913), to which may be added the Congressional Joint Commission on Reclassification of Salaries (1919-1920) and the Joint Committee on the Reorganization of the Administrative Branch of the Government (1921 to date).[1] The investigations prior to 1910 were chiefly concerned with methods of conducting public business rather than with the organization as such.

President Taft's Commission on Economy and Efficiency made a notable contribution to the cause of better administration, although Congress was for the time indifferent to its recommendations. The program of the commission included

1. The problem of a national budget
2. Problems of organization
3. Problems of personnel
4. Problems of financial procedure
5. Problems of business practice and procedure.

Legislation growing out of this program has established an effective budget system, a much criticized retirement plan, and a bitterly contested reclassification. There remains to be enacted legislation reorganizing the departments and agencies.[2]

This has been the subject of much consideration and discussion in Washington during the last five years. On December 7, 1920, Senator McCormick introduced a bill to bring about the more effective coordination of the executive departments, and to establish a department of public works and a department of public welfare. This bill proposed a general reorganization.[3] In 1921 there was established a Joint Committee on the Re-

[1] Weber, *op. cit.*, has a discussion of these surveys, except the last two above mentioned.

[2] 66th Congress, 3rd Session, S. 4542.

[3] Read Arthur N. Holcombe, "Administrative Reorganization in the Federal Government," *Annals*, vol. 95, pp. 242-251 (1921); National Budget Committee, *A Proposal for Government Reorganization* (1920), found in abbreviated form in an article by John T. Pratt, "A Proposal for Government Reorganization," *Proceedings of the Academy of Political Science*, vol. 9, pp. 347-360 (1921); Frederic A. Cleveland, "The Reorganization of the Federal Government—An Alternative Proposal," *ibid.*, pp. 361-419; Reed Smoot, "Reforms in the Federal Government," *ibid.*, pp. 434-448; Herbert C. Hoover, "The Problem of the Reorganization of the Federal Government," *ibid.*, pp. 449-452; Will H. Hays, "Important Aspects of Administrative Reform in the Federal Government," *ibid.*, pp. 453-471.

organization of the Administrative Branch of the Government. In a report to the President on January 21, 1922, the chairman of the Joint Committee presented a plan to divest the War and Navy departments of all activities not directly related to national defense, and to consolidate them into a single department known as the Department of Defense. This project was opposed by both War and Navy departments.[1] It forms a part, however, of the carefully prepared plan of W. F. Willoughby.[2]

Meanwhile Congressman Mapes has introduced a bill relieving Congress of the necessity of working out a plan of reorganization. The bill provides for a reorganization board consisting of two members of the Senate, two Congressmen, and a person to be appointed by the President with the advice of the Senate. This board is directed to survey "the administrative branches of the government" and to recommend to the President appropriate action to ensure better organization. The President upon such recommendation is authorized to transfer the whole or any part of any bureau or other agency, and to consolidate any independent establishment with an executive department. With the approval of the President, the head of each department is authorized by the bill to make needed changes in the organization of the department. But the President cannot abolish a department, and all authority conferred by the bill expires on June 30, 1927.[3]

3. The Achievements of the Movement for Reorganization.

It is hazardous to attempt an accounting of the achievements of the new forms of American administration, especially because we have no sure means of identifying improvements with their effective origins. What is said to be the result of better budget methods may be due really to a changed attitude on the part of legislators which was responsible first for budget legislation and second for reduction in appropriations. Better hospital service may be due to the creation of a Veteran's Bureau, or it may be due to a more competent director who would have secured the same result under other conditions.

[1] *See* Hearings before the Joint Committee, etc., pp. 2 *et seq.*, statement of John W. Weeks, pp. 33 *et seq.*, statement of Edwin Denby, 68th Congress, First Session, S. J. Res. 282, Jan. 7-31, 1924.

[2] W. F. Willoughby, *The Reorganization of the Administrative Branch of the National Government* (1923).

[3] 69th Congress, 1st Session, H. R. 4770.

Competent observers, however, make specific and apparently well founded claims in favor of the actual achievements of reorganized administrative systems. The concrete achievements in the form of better roads, cleaner streets, bigger markets, lower death rates are recorded in many places and need not be recounted here.[1] But attention must be directed to certain topics.

The major objective of the new movement was asserted to be economy. Has economy been achieved? General Dawes leads the host of witnesses who reply in the affirmative. He reckoned the savings to the United States for the fiscal year 1922 at $250,000,000.[2] Notable reductions in federal expenditures have been made in the post-war period.

Governor Lowden writes,

> That Code went into effect on July 1, 1917, and we have been operating under it ever since. Appropriations made by our General Assembly, two years ago, were based upon pre-war prices and conditions. And yet we will have completed the biennium of June 30, (1919) without a deficiency in any department under the Code, with the exception of the single item of supplies for the charitable and penal institutions in the department of public welfare. And the deficit in this item will be more than counterbalanced by the unexpended balances in other departments at the close of the fiscal year.[3]

In Nebraska a special session of the legislature was called to reduce the appropriations for the biennium 1921-1923 by $2,000,000 after over two years' operation of the new code.[4] Buck reckons a reduction of $1,200,000 in Tennessee appropriations for the administrative departments as reorganized.[5] Perhaps the most remarkable showing was made in Pennsylvania, where Governor Pinchot wiped out a deficit of $29,000,000 within two years.[6]

Claims for saving cannot always be taken at face value, especially when they are made by those responsible for administration. "This saving may seem a little high to some," confides

[1] *See* E. S. Bradford, *Commission Government in American Cities* (1911); Henry Bruere, *The New City Government* (1912); Charles Zueblin, *American Municipal Progress* (1916); E. T. Paxton, "Trend of Reorganization in City Government," *Annals*, vol. 113, pp. 195-201 (1924).

[2] Report of the Director of the Bureau of the Budget on the subject of economies and savings in governmental business. (May 8, 1922.)

[3] F. O. Lowden, "Problems of Civil Administration," *North American Review*, vol. 210, pp. 186-192 (1919).

[4] A. E. Buck, "Nebraska's Reorganized State Administration," *National Municipal Review*, vol. 11, pp. 192-200 (1922).

[5] A. E. Buck, "Administrative Reorganization in Tennessee," *National Municipal Review*, vol. 12, pp. 592-600 (1923).

[6] *See* Pennsylvania Budget for 1925-1927, p. iii.

the Utah director of the department of finance and purchase *a propos* of a claim of $400,000 saving out of an expenditure of $2,000,000.[1] Not all saving is desirable, and sometimes a favorable showing is made only by the postponement of desirable expenditures which later will mount even higher on account of the delay. But making all allowances it seems clear that the reorganized governments can rightly claim to be more economical than their predecessors.[2]

Economy is by no means the only claim which is made in favor of integrated administration. It has defined the problem of efficiency and has begun to set up continuing mechanisms (fiscal supervision, unit costs, standardization) which reveal efficiency or waste. This in turn is permitting the establishment of standards of performance sufficiently precise and simple to enable public opinion to insist upon their observance (*cf.* Cleveland Bureau of Criminal Statistics). It has been the occasion for the release of a new spirit. Says Governor Davis of Idaho,

> This is the dawn of a new era in civil administration. . . . I have actually seen the enthusiasm, the exchange of ideas; the feeling of added responsibility; as I sat in cabinet meetings and have noted the difference between the old régime and the new, I have come to believe the day past when the worn out, creaking system of state government will do.[3]

The new systems are laying the base for the next developments. These may be expected to include (1) the more complete recognition of the importance and function of the expert, (2) the development of professionalism and the interchange of personnel, (3) inter-governmental cooperation, perhaps especially in the leagues of municipalities and between the states and the United States. None of these tendencies could develop with the handicap of the old type of administration.

[1] First biennial Report, 1921-22, p. 17.

[2] Compare statement of Professor McBain, *Proceedings of the Academy of Political Science*, vol. 9, pp. 2-33.
Those who suppose that budget reform and administrative reorganization are going to result in any very substantial reduction of expenditures are doomed to disillusionment. . . . The margin of possible saving even in the most scientific of budgets is relatively small. . . . To my mind its importance would lie not in the comparatively small saving of dollars or improvement of service but in the example of orderliness and decency and of the sense of responsibility which the government ought to set.

[3] D. W. Davis, "How Administrative Consolidation Is Working in Idaho," *National Municipal Review*, vol. 8, pp. 615-620 (1919).

The reorganized systems have not escaped criticism. Alarm has been expressed at the tendency to eliminate the layman and the considerable amount of unpaid service which he is prepared to give. In some circles there is a disposition to deplore the substitution of business standards (economy, sometimes called parsimony) for service standards. The dangers of short terms and frequent changes in the directing personnel are emphasized by the concentration of power. The relationship between the political head of the department and a permanent technical head has not yet been worked out on any wide scale. Nor have the new systems yet given any conclusive demonstration that they possess an internal capacity for continuous self-improvement.

Some points remain unsettled. In my study for the National Research Council, I wrote with reference to the Illinois plan of fiscal control, "The lodgment of such authority imposes a solemn obligation upon financial officials to use their power with vision and understanding. A short-sighted and ill-spirited use of even moderate authority may create an intolerable situation; and if experience demonstrates that the state cannot secure men of vision and sympathy as well as men of firmness and sound judgment to sit in these key positions, a complete reconsideration of the system of control will be necessary."[1]

It is not yet clear whether standards of political behavior are high enough in the state governments to protect the highly integrated plans from perversion at the hands of spoils politicians. This issue is fundamental in any type of administration, but the potential damage seems greater under the integrated system.[2]

The status of the higher educational institutions in the new

[1] National Research Council, *Bulletin* 49 (1925).

[2] The political implications of consolidated government are thrown into high relief by the remarks of Mr. (later Governor) Al Smith in the New York Constitutional Convention of 1915. Mr. Smith said in part, quoting from a message of Governor Whitman, "The fact that the state has been and is spending tremendous sums of moneys in the construction, repair, and maintenance of its highways and that the accomplishment of this work requires the employment of a vast number of men, has perhaps naturally caused this department to be regarded as a greater political asset for the party in power than are all the other departments combined. That the vast machinery of the department has been used very largely for partisan purposes, there can be no question."

Mr. Smith continued: "Now you propose to put that in with the canals, with the state architect, and with all the public buildings throughout the state and give that to one man. . . . Give me that department with the appropriation for the maintenance and repairs of the canals, plus the coming $50,000,000 for the construction of roads, and the county that don't bring its delegates to me, I will send after them."

system remains to be worked out. On the whole they still remain outside the circle of executive influence, but signs are not wanting that an attempt will be made to supervise their expenditures along lines similar to those found in other departments. This tendency will be resisted by the state universities and other institutions of higher learning and the conflict will precipitate ultimately some accepted principle.[1]

It is not yet clear what relation will be established between the fiscal supervisors and the heads of departments. Where the initiative will lie, where the power of final decision will be vested, are still uncertain points.

Finally the greatest uncertainty prevails as to the ultimate rôle of the chief executive. His authority and prestige are clearly now expanding rapidly; but whether he is to become primarily an administrator, or primarily a political leader, or merely a member of a commission which will correlate the executive and legislative branches (*cf.* New York, Michigan, Wisconsin) remains in the laps of the gods.[2]

[1] *See* F. B. Haas, "Supervision of the Budgets of State Educational Institutions," *Annals*, vol. 113, pp. 112-20 (1924).

[2] There is a rapidly growing literature on the subject of administrative reorganization. Consult the following bibliographies: A. E. Buck, *Administrative Consolidation in State Governments*, list of selected references, pp. 45-47 (1924); G. A. Weber, *Organized Efforts for the Improvement of Methods of Administration in the United States* (1919); Sarah Greer, *A Bibliography of Public Administration* (1926); J. M. Mathews, *American State Government*, pp. 300-302 (1924); F. M. Stewart, "Reorganization of State Administration in Texas," *University of Texas Bulletin*, no. 1848 (1918), containing a bibliography, pp. 78-80.

See also in addition to literature cited in text and in ch. 5, F. A. Cleveland and E. A. Buck, *The Budget and Responsible Government* (1920); H. A. Barth, *Financial Control in the States, with Emphasis on Control by the Governor* (1923); "State Administration," *Municipal Research*, No. 63 (1915); F. E. Horack, "Reorganization of State Government in Iowa," *Iowa Applied History Series*, vol. 2 (1913); F. E. Horack, "Administrative Reorganization in Iowa," *Am. Pol. Sci. Rev.*, vol. 9, pp. 258-263 (1915); C. A. Dykstra, "The Reorganization of State Government in Kansas," *ibid.*, pp. 264-272; Jeremiah S. Young, "Administrative Reorganization in Minnesota," *ibid.*, pp. 273-286; James D. Barnett, "Reorganization of State Government in Oregon," *ibid.*, pp. 287-293; Herman G. James, "The Reorganization of State Government," *ibid.*, pp. 294-303; Association of Life Insurance Presidents, *Proceedings*, Nineteenth Annual Meeting (1925), The Improvement of State Administration.

W. F. Dodd, "Reorganizing State Government," *Annals*, vol. 113, pp. 161-172 (1924); F. O. Lowden, "Reorganization in Illinois and Its Results," *ibid.*, pp. 155-161; J. A. Fairlie, "Reorganization in Counties and Townships," *ibid.*, pp. 187-194; E. T. Paxton, "The Trend of Reorganization in City Government," *ibid.*, pp. 195-201; Raymond Moley, "State Movement for Efficiency and Economy," *Municipal Research*, No. 90 (1917); F. W. Powell, "Recent Movement for State Budget Reform," *Municipal Research*, No. 91 (1917); C. A. Beard, "Reconstructing State Government," *New Republic*, Supplement, Vol. 4, August 21, 1915; New York *Reconstruction Commission Report*, pp. 235-299, "Administrative Consolidation in other States" (1919); Luella Gettys, "The Reorganization of State Government

in Nebraska" (with bibliography), *Bulletin* no. 11, Nebraska Legislative Reference Library (1922).

A systematic study of local government and administration may be found in Report of the Special Joint Committee on Taxation and Retrenchment, New York *Legislative Document* No. 55, 1923.

The most valuable of the Efficiency and Economy Committee Reports are President Taft's Efficiency and Economy Commission (1912-13); Supervisor of Administration (Massachusetts), Report on Functions, Organization and Administration of Departments, Public Document No. 96 (1914); Report of the Illinois Efficiency and Economy Committee (1915); Report of the New York Reconstruction Commission (1919); Report of the Committee on Efficiency and Economy of California (1919); Griffenhagen and Associates, *Report in re the Organization and Administration of State Government* (Maryland, 1921); Efficiency Commission of Kentucky, *The Government of Kentucky*, 2 vols. (1924); The League of Minnesota Municipalities, *Administration of the State of Minnesota* (1924); Lent D. Upson, editor, *The Government of Cincinnati and Hamilton County* (1924); New York State Reorganization Commission Report, Legislative Document No. 72 (1926).

CHAPTER NINE

THE PERSONNEL PROBLEM

Industry cannot be rendered efficient while the basic fact remains unrecognized that it is primarily human. It is not a mass of machines and technical processes; it is a body of men. It is not a complex of matter, but a complex of humanity. It fulfills its functions, not by virtue of some impersonal force, but by human energy. Its body is not an intricate maze of mechanical devices, but a magnified nervous system.

Sheldon: *The Philosophy of Management.*

Look at it how you will, the Civil Service should represent and does in fact represent, the pick of the administrative intelligence of the country, highly trained for the country's good.

Sir Cecil Harcourt Smith.

1. The Administration and the Administrator.

Could one resort to visual presentation of the personal phases of administration, an impressive variety of scenes is at hand. The examination room, crowded with men and women industriously recording answers to a series of questions intended to select the most fit, comes first on the screen. Here is the raw material out of which the personnel of administration is to be selected: the school girl seeking her first employment, filled with eager anticipation of a "government" job; the policeman wielding a pencil, with perhaps less skill than his club, seeking to become a sergeant; the man out of work trying to open the door to a steady job; the middle-aged failure who hopes to stabilize his fortunes somewhat protected from the sharper competition of the business world; the old man who seeks to be "at peace"; the curious intellectual who wishes to satisfy himself that he can pass the examination; the scatter-brain who thinks "to take a whirl at it," all may be seen in the examination room of any civil service commission. Every extreme of ability and incompetence, of ambition and indifference, of emotional and volitional and intellectual power passes through the sieve of the commission. Out of the hundreds of thousands of persons who year by year present themselves for examina-

tion must somehow be selected the particular qualities of mind and the special types of skill which the public service requires.

During the war a long well-lighted room in the National Museum in Washington housed a section of the Bureau of War Risk Insurance. It is August in Washington, and not even the scores of electric fans can do more than alleviate the intense heat and humidity. Filing cases stretch away in an almost endless line, containing allotment and allowance records, correspondence and relevant documents concerning over 3,000,000 individuals. For months the arrears amount to over 150,000 pieces of mail, while fifty thousand letters a day are dumped in the mail room to be opened, stamped, and routed to the proper bureau. With this enormous flood of letters, revealing sometimes stories of the most poignant grief, sometimes situations of the most ludicrous and strident humor, fifteen thousand examiners, clerks, stenographers, supervisors, section and division chiefs seek valiantly to cope.

On Wednesday and Thursday afternoons, room 611 in the Chicago City Hall fills with a tense, silent group of city employees, defendants and witnesses in hearings before the civil service commission for discharge for alleged offenses against the good order of the city or the rules of the classified service. The commission sits upon a raised dais behind a "judicial" bench, each member identified by an appropriate brass marker. The room is well filled with spectators who find a personal interest in the cases at hand. The adjacent corridors overflow with whispering groups of persons, drifting hither and thither in a haze of tobacco smoke, awaiting the call or the conclusion of the cases. Inside the evidence is heard with much of the formality but little of the technicality of a court, the commissioners and sometimes legal counsel actively directing the course of the questions. A sharp "taken under advisement" terminates the proceedings, followed by a general movement toward the door as the parties make their way to the elevators or discuss the case in the corridors.

Or one may stand near the exit of a great government office in Washington at five o'clock and watch the swirling crowd of employees leaving at the close of the day's work. One cannot look into the faces of these men and women without realizing

to the full that the problem of efficiency in government is an intensely human one, which can be approached in any fundamental manner only through the study of human nature in its work relationship. Personnel management is the management of the affairs of human beings and its full success calls for a delicacy of adjustment of personal relationships which will test the capacities of the psychologist, the psychiatrist, the physician, the social worker, as well as those of the bureau chief and department head.

So one might flash on the screen a hundred glimpses of the daily life and work of the government employee, each revealing a new phase of his activity. The fact is that almost all phases of human life find expression in the public service, and almost all occupations are represented in it. One can only suggest the immense range and variety and the highly specialized information which is at their command. Thus the railway mail clerk, "the aristocrat of the post-office," must have in his mind ready for constant use a complicated pattern of post-office stations, railroad lines, and train schedules. The government land agent must familiarize himself with the land laws and with their administration. The ward superintendent of street cleaners must not only be technically proficient in the art of street cleaning but also must be a successful administrator capable of directing effectively a large force of relatively ignorant workmen chiefly of foreign extraction. The laboratory technician analyzing foods to discover adulteration, or beverages to discover the percentage of alcohol, must not only be a trained scientist, but also have a keen sense of duty to prevail against constant attempts at bribery. The temptations put in the path of many prohibition agents seem to have been especially irresistible, but it should be recognized that all along the line the public official is under pressure, from the good citizen as well as the bad, to modify the enforcement of the law.[1]

Two ideas are widely held by the American taxpayer. He

[1] "Here are scores of men, cultivated and with long experience, every one of whom knows everything about some special subject. One knows all there is to be known concerning uncertificated teachers; another has at his fingerends every detail about the Uganda Railway; a third knows just how many pounds of tobacco ought to be consumed by a given number of marines; a fourth has devoted intimate study to the devices adopted by distracted Boards of Guardians in dealing with malingering casuals." Ramsay Muir, *Peers and Bureaucrats*, p. 12 (1910).

believes there is an extraordinary number of useless or overpaid public officials and he is convinced that most government employees are lazy and incompetent, and secured their positions only by "pull." Two ideas are likewise widely held by civil servants. They assert that they are underpaid, and they believe that the value of their work is neither understood nor appreciated by the public.

No one can come into close touch with the conduct of public business without readily understanding why these ideas should spring up. The taxpayer is in touch with the government almost exclusively through its officials, and in the newspaper he reads chiefly accounts of their spectacular misdeeds, for these have "news" value; he knows from experience the delay and the confusion in transacting business with these officials, and he has seen or heard enough about spoils politics to make him suspicious of the whole system. The city, state, or federal employee, on the other hand, has watched the rising cost of living with increasing apprehension, has petitioned for relief and been denied so frequently that his feelings have become outraged. "This is not the year to add to the burden of the taxpayer," has become an irritating, because to him an inadequate answer to his plea. He thinks of the years of faithful service which he has performed, well hidden from the windows where "the public" peers in, vainly tries to warm his memory with the recollection of some even meager recognition, and is not unlikely to shrug his shoulders, thinking, "What's the use?"

2. The Magnitude of the Public Employment Problem.

The magnitude and diversity of the personnel problem in government is unparalleled by any other human organization. We can only guess at the total number of public employees in the United States, but such estimates vary all the way from 2,500,000 to 4,000,000.[1] In some jurisdictions, however, the number and classification is known with reasonable exactness. A recent report of the United States Civil Service Commission

[1] *See* for several estimates, *National Municipal Review*, vol. 12, p. 443 (1923); and for a general survey, read "The Personnel Problem in the Public Service," Preliminary Report of the Conference Committee on the Merit System, *Public Personnel Studies*, vol. 4, pp. 1-43 (1926); also Edward B. Rosa, "Expenditures and Revenues of the Federal Government," *Annals*, vol. 95 at pp. 73-94 (1921) and chart at p. 83.

presents information, from which may be gained an accurate conception of the size and variety of the federal civil service.[1]

TABLE

NUMBER OF FEDERAL EMPLOYEES, 1925

DEPARTMENT	IN THE DISTRICT OF COLUMBIA	OUTSIDE THE DISTRICT OF COLUMBIA	TOTAL
Treasury	16,325	37,108	53,433
War	4,898	47,489	52,387
Post Office	3,822	297,877	301,699
Navy	5,197	37,072	42,269
Veteran's Bureau	4,897	22,647	27,544
All Departments	63,756	500,962	564,718

The leading departments from the point of view of numbers alone are the post office, the treasury, the war department, the navy, the veteran's bureau (a comparative newcomer) and the department of agriculture. The proportion of those stationed at Washington is much smaller than is ordinarily supposed, only 64,000 out of a total of 564,000.[2]

The classification of these hundreds of thousands of employees according to duties performed has been occupying the attention of experts at Washington for over five years. The most systematic classification is probably that worked out by the Joint Commission on the Reclassification of Salaries, which included 376 distinct "series" or categories, each involving substantially the same kind of work. The series were in turn subdivided into 1,762 classes, on the basis of the difficulty of the duties performed and the degree of responsibility involved.

A bewildering variety of occupations is revealed by this tabulation. Telephone operators and messengers mingle with interpreters and employment agents; biologists and agronomists, actuaries and engineers crowd on the heels of librarians and cooks; furniture makers and meat cutters jostle bank examiners and photographers; clerks and bookkeepers obscure by their very numbers the publicity specialist, the franchise appraiser, and the director of research.

[1] *Annual Report*, United States Civil Service Commission, vol. 42, p. vii (1925).

[2] War expansion and post war reduction is shown in *Annual Report*, United States Civil Service Commission, vol. 41, p. vii (1924). For the position of women, *see* Bertha M. Nienburg, "Women in the Government Service," Women's Bureau, *Bulletin* No. 8 (1920).

Mayers has made a careful classification of the federal employees of 1907 from which the following table is derived.[1]

TABLE

EXECUTIVE CIVIL SERVICE EMPLOYEES, 1907. CLASSIFIED BY MAIN GROUPS OF OCCUPATIONS

GROUPS	POST OFFICE	ALL SERVICES
Executive	137	2,157
Professional, Technical and Scientific	31	9,745
Clerical	180,374 *	198,149
Mechanical	84	26,972
Sub-clerical and Labor	1,304	37,097
Miscellaneous	394	5,643
Total	182,324	279,763

* All postmasters, 62,663 in number, have been included in this item, although some hundreds of them in charge of the larger offices would more properly be classed as executive.

Mayers comments on the table in the following words:

Examination of these figures discloses that in 1907, if the postal service, which, of course, is in a class by itself, be excluded, the clerical employees of the government numbered less than twenty per cent of the whole. . . . The "government clerk" is by no means so dominant a factor in the personnel problem as he is conceived in the popular imagination.

The conception of the national government machine as a vast circumlocution office occupied solely by clerks engaged in the preparation, copying, filing, and indexing of official papers may have had some validity a few score years ago; but it is now utterly erroneous. In only a few of the services is the burden of the real work carried on by clerks. In almost every case the work requires and is performed by technical men.[2]

The table is of interest also because it reveals in a general way the proportion of executive positions to the total number. Something less than one position in a hundred falls in this group, while not more than four in a hundred fall in the professional, technical, and scientific group. In this connection it is of interest to note that the administrative class in the British clerical service (formerly first division clerks) numbers only about 450, although it must be added that the so-called executive class is not always easy to distinguish by duties performed.

[1] Lewis Mayers, *The Federal Service*, p. 12 (1922).

[2] Mayers presents a valuable survey of the federal service in chapter one of his volume, *The Federal Service*.

A table, compiled by the Bureau of the Budget, shows all classes of persons receiving payments from the federal government.[1] From this table may be abstracted the following summary.

TABLE

STATUS	NUMBER	AMOUNT PAID
Persons in active status.....	821,085	$1,048,421,180
Persons in retired or disabled status	45,362	37,250,653
Military pensions and beneficiaries	980,820	576,881,675
Total	1,847,267	$1,662,553,512

This table includes for the fiscal year ending June 30, 1924, all classes of persons receiving from the federal government, salaries, wages, retired pay, pensions, annuities, disability compensation, or rehabilitation allowance, whether in civilian, military, or other status.

These enormous figures far surpass anything to be found in the state or municipal services. The New York State Civil Service Commission estimates the extent of public employment in New York as 290,000, with an annual payroll of about $375,000,000. This figure includes all persons in state, city, county, village and federal employ within the State of New York, including teachers, election officials, laborers directly employed, and all other officials, elected or appointed, except those paid wholly by fees. The figures are presented as having "fair accuracy." [2]

In New Jersey, in 1921, the number of state employees was 5007, with a payroll of $6,855,584; the combined number of state and county employees was 19,113 with a payroll of $29,493,151.

In 1923 the city of Chicago employed 34,604 persons, including teachers, laborers, and all classes of employment, with a resulting payroll of $73,224,498. The city of St. Paul in 1924 employed a total of 4577. The city of New York employs approximately 57,000 persons, including the teachers. Los Angeles County employs about 4100 persons.[3]

[1] *Annual Report*, United States Civil Service Commission, vol. 41, p. 150 (1924).

[2] *Annual Report*, New York State Civil Service Commission, vol. 39, p. 22 (1922).

[3] *See* Governmental Research Conference, Report of Committee on Civil Service," p. 86 (1922).

These figures will suffice to indicate the importance of the personnel problem in government. The productivity of this host of officials and employees is very closely related to the fairness and wisdom of the conditions of employment under which they work, and the major problem of personnel management is to discover and establish conditions which will result in a widespread sense of satisfaction, and in the stimulation of the reserve power of the great body of civil servants.

3. The Conditions of Public Employment.

What sort of a working environment does a young man discover who chooses the public service as a career? What advantages might lead him in this direction, what disadvantages deter?

In general it must be said that public employment does not enjoy a high repute in America at the present time. It is a common complaint of bureau chiefs that they cannot find qualified candidates for the available positions at the salaries offered. College presidents advise their graduates not to take a "government job." This is a deplorable situation. Unfortunately a career with the government does not have the prestige value here which attaches to public service in Great Britain or on the continent, and which is there a powerful incentive.[1] The advantages of public service in the United States must be sought elsewhere.

One of the characteristic features of the civil service everywhere is the high degree of security which it offers. Once in the service, in a classified position, only serious and wilful misconduct will suffice to cause dismissal. Although there is no substantial legal guarantee of permanence in the federal service, it is true there as in city and state governments that the occasion for dismissal (other than that due to the reduction of war staffs) is negligible. Promotion may be slow in forthcoming, but at any rate the job is certain. For all except industrial workers and often for them this permanence of tenure carries with it the assurance of steady work the year round, with no time off for lack of work, lockouts, or strikes. This is

[1] Compare the following quotation from a Royal Commission (1887-90), "We think it an object of the most serious importance that men of the same standard of liberal education as those who now adopt the open professions should be attracted into the public service." Quoted in Moses, *The Civil Service of Great Britain*, p. 163. But the foreign service of the United States has now been placed on an attractive basis by the Rogers Act (43 Stat. at L. 140). *See especially* Tracy H. Lay, *The Foreign Service of the United States*, ch. 10 (1925).

a valuable consideration for most classes of workers, whether manual, clerical, or technical.

Related to this feature is the characteristic quality of uniformity. There is a definite tendency to adopt the principle of equal pay for equal work, and by systematic classification to ensure that all employees in the same circumstances will be treated alike. So far as employees are organized in trade unions, this uniformity is self-imposed; but in other cases the law prescribes specific salary ranges, exact rules for advancement, a minimum period of service in each grade, and for each class (or grade) substantially the same kind of work of the same degree of responsibility. Whatever hardship this may work on the exceptional man, the fact remains that his chance of advancement and promotion are much like those of his less gifted competitors.

Throughout the public service there is in fact a limited range of opportunity. This arises from many causes, of which one is the immense amount of routine, mechanical, and subordinate work to be done in comparison with the amount of creative, original and responsible work. This condition is inherent in the nature of administrative tasks, with the result that the public service needs the services of persons who possess the qualities of patience, exactness, faithfulness, and loyalty, in far larger numbers than qualities of ambition, inventiveness, and leadership.

The scale of salaries in the public service is modest. For most positions the entrance rate varies from $1,200 or less to $1,500, and the great bulk of public employees are not paid over $2,600. The pyramid of positions tapers off very sharply at the level of offices paying $3,000 or $3,500; and only a minute proportion offer as much as $5,000 a year. These positions, and practically all over this figure, are reserved for appointment from without the classified service. A recent investigation of the retiring salaries of Chicago municipal employees showed that after about twenty-three years of service, clerical employees were retiring at an average salary of $2,229, engineers at $2,709, inspectors at $2,259 and professional men at $3,332. The chance to work in the clerical service for twenty-three years with the likelihood of not rising above $2,200 and the certainty of not rising above $4,000 is not a particularly

attractive one, and it need occasion no surprise if the city fails to secure the most energetic, ambitious, and capable young men year by year for its employment.

In very many jurisdictions, government employees may look forward to a retirement pension. These are sometimes supplemented by relatively small benefits which they provide by voluntary effort, and very commonly by provision for insurance against injuries, incurred in the line of duty. Workmen's compensation acts are made applicable to men and women employed by the government, and in the case of firemen and policemen there are invariably special provisions for compensation.

Opportunity for promotion is slow but relatively sure up to a certain point. Beyond that promotions occur only when a superior officer dies, resigns, or retires. But in an expanding administrative system the opportunity for promotion is greater. It will be of much interest to observe the effect of a contracting system (as in the post war government especially) upon the opportunity for promotion. In some jurisdictions promotions are subject to the play of personal and political influences, but in general there is an attempt to find some compromise between the claims of seniority and capacity. Transfer from one department to another is limited in many cases by rigid rules, and is not infrequently deprecated by the employees themselves. There seems to be a distinct tendency to consider each department a closed unit so far as entrance from the outside to the higher positions is concerned. Positions such as director of a department, and assistant directors are almost invariably filled by political appointment; bureau chiefs, chief clerks, and superintendents of institutions may be chosen in the same way. Movement from one government to another is thought to be relatively slight, although there are no figures to show the extent of such migration. There exists unfortunately an extraordinary provincialism in local and state governments which makes it difficult for an official to move from one to another.

Another characteristic of the public service is the high degree of specialization. It is not only that governments require accountants, chemists, bacteriologists, engineers, physicians, lawyers, psychologists and psychiatrists, but that in the peculiarly "public" phases of its work it needs the expert. The work which every city carries on in condemning property, "spreading" spe-

cial assessments, authorizing permits for buildings, testing ventilation systems, requires an exceptional sort of specialist whose training involves an accurate knowledge of ordinances and laws, judicial decisions and constitutional prohibitions, as well as careful preliminary training in mathematics and mechanics, and a generous endowment of common sense. The public service is carried on by such specialists to an extent which few realize.

4. Personnel Management.

In recent years personnel management has come to include a wide variety of practices and a well established technique.[1] It is rapidly becoming a profession, with its body of organized knowledge, its devoted exponents united in the American Management Association, with general recognition as a career open to talent, and with even the embryo of a system of ethics. In some respects, as classification of positions, protection to employees, and the use of formal tests, the public service has been the leader in the profession; in other respects, especially in developing the "welfare" phases of personnel management, industry has been, and remains, far ahead.

"Personnel administration is the direction and coordination of the human relations of any organization with a view of getting the maximum necessary production with a minimum of effort and friction and with a proper regard for the general well-being of the workers."[2] This definition is applicable to government as well as industry, although the character of production is somewhat different in many instances. Another writer observes, "In the last analysis, sustaining the interest of the workers is among the chief objectives of personnel activities."[3] Either definition suggests that personnel work deals not merely with the mechanics of "hiring and firing," but rather

[1] W. H. Rossi and D. I. Rossi, *Personnel Administration: a Bibliography* (1925); J. David Thompson, "Personnel Research Agencies." *Bulletin 299, Bureau of Labor Statistics* (1921); "Personnel and Employment Problems." *Annals*, vol. 65; William E. Mosher, "Personnel Administration in the Federal Government," *Proceedings, Academy of Political Science*, vol. 9, pp. 710-22 (1922); Henry Moskowitz, "Old and New Problems of Civil Service," *Annals*, vol. 64, pp. 153-67 (1916); Lee W. Frankel, "Personnel Work in the Post Office Department," *Proceedings, Academy of Political Science*, vol. 9, pp. 687-91 (1921).

The files of the *Bulletin of the Taylor Society* are full of significant material.

[2] Ordway Tead and Henry C. Metcalf, *Personnel Administration* (1920).

[3] Harry A. Hopf, "Personnel Activities in Financial Institutions," *Proceedings Academy of Political Science*, vol. 9, pp. 723-32 (1922).

with the painstaking analysis of human motivation, and with the skilful adaptation of means to ends so that each individual may best fit into the organization through the most complete realization of his inner possibilities. "Personal efficiency," writes a well-known manager, "is a composite article. It is composed of various proportions of brains, health, instruction, loyalty, enthusiasm, ambition, ability to cooperate, personality and character." [1] The same writer goes on to declare, "An employee who works at his job because he is fitted for it, because he enjoys it, and therefore puts enthusiasm into his work, is worth far more to his employer than the worker who works indifferently at his job only because he is paid for it."

The scope of personnel management as conducted in progressive industries will include ordinarily the following features: (*1*). *Employment.* Applicants for work are interviewed, personal history cards are filled out, previous experience ascertained, and in many cases some kind of a test is given. The applicant, if accepted, is assigned to a given unit, introduced to the foreman, and to some of his fellow-workmen. At the end of a week, the personnel officer will usually take occasion to speak with him and his foreman to ascertain how well he has adjusted himself. (*2*). *Medical Supervision.* This includes a physical examination at the time of entrance, examination upon return after sickness, first aid in case of accident or illness while at work, the services of a visiting nurse, and in some cases periodic physical examinations. (*3*). *Instruction.* This is voluntary with the worker. Classes in stenography and typewriting, English, commercial geography, mathematics, and apprentice schools for the various crafts are most common. (*4*). *Welfare.* "This division of work is founded on the certainty that an employee who is happy and satisfied and free from anxiety and who works under favorable physical conditions will do better work and more of it than an employee who is dissatisfied." The variety of topics which might be included under this head are almost endless. They include attention to working conditions, safety devices, sanitary arrangements, restaurant service, library facilities, and opportunities for recreation. They comprise also the establishment of saving funds, mutual benefit

[1] Robert C. Clothier, "The Employment Work of the Curtis Publishing Company," *Annals*, vol. 65, pp. 94-111 (1916).

associations, and many varieties of social organizations ranging all the way from boys' camps and musical clubs to such comprehensive organizations as the Hawthorne Club of the Western Electric Company at Chicago. (*5*). *Employee Representation.* Many large industries have well established schemes of employee representation. These are usually built up on the principle of representation from plants and from craft or employment units. Employee representatives are usually elected freely, by secret ballot, and have adequate guarantees of unrestricted opportunity for dealing with employment problems. Although they are still in the formative stage their value is generally recognized.

In government circles, personnel management has placed its emphasis somewhat differently.[1] Greatest attention has been given to devising tests which would have a high selective value for the job concerned, and in this respect notable progress has been achieved. Much thought has been given also to devising an objective method of measuring individual efficiency in the service as a means of administering advancement and promotion. In some jurisdictions the protection of the employee against unwarranted discipline or removal has been one of the main purposes. The task of combating favoritism has always loomed larger in government than in industry, although by no means unknown there. The welfare program has been conspicuously absent; almost all activity of the sort has arisen spontaneously from the ranks of the employees themselves. Only in the rarest instances has there been any inclination to establish employee representation in the public service. These lines of development have been determined in part by the fact that personnel management in the public service is the slow outgrowth of the merit idea, both of which are still stoutly beset by the spoils system, which for three generations flourished almost without let or hindrance.

[1] *See* Governmental Research Conference, *Report on Municipal Civil Service Commissions;* "Recruitment and Status of Civil Servants in certain Countries," *Journal of Public Administration*, vol. 3, pp. 75-81 (1925). One of the most illuminating sources of systematic information is *The Personnel System of the United States Army*, published by the Adjutant General. Note also the schematic summary, "Formula for an Efficient Workman," Bulletin of the Taylor Society, vol. 6, p. 236 (1921).

CHAPTER TEN

THE HISTORICAL BACKGROUND

Let each district choose its own postmaster and custom-house officials. . . . Responsibility would purify and elevate the masses, while government would be relieved from that mass of patronage which debauches it.

(The merit system) contravenes the fundamental plan of our institutions and contemplates a coterie of men held long in office largely independent of the people—a miniature aristocracy filled with a dangerous *esprit de corps.*

Wendell Phillips.

Partisan prostitution of the public service is radical treachery to popular government because it makes private interest and not the public welfare the motive of political action. . . . It is one of the chief evils of the spoils system that reckless abuse of patronage, the most lavish and acknowledged corruption, have made party despotism so absolute that the conscience and intelligence of the country are largely enslaved by unprincipled ignorance and insolent cunning. Even public men are shy of their own consciences lest they should obstruct their own advancement.

George William Curtis.

1. The Bureaucratic Period.

No one can hope to gain an adequate idea of the handicaps under which American public administration still labors without some notion of the long struggle which has taken place to introduce elements of order into the spoils régime instituted on a national scale by Jackson. The history of the United States is marked by three distinct periods so far as the character of our national civil service is concerned. Of these the first was inaugurated by Washington and abruptly terminated by Jackson in 1829. The second period began to yield to a different concept of public service in 1883 with the passage of the Pendleton Act, but throughout the recent period there has been a constant struggle to determine whether spoils or science should predominate.

Within the available limits of space only a brief summary can be given of the events and characteristics of each of these

periods.[1] With the establishment of the new constitution in 1789, President Washington found a unique opportunity. The termination of the Articles of Confederation brought to an end the terms of office of all preceding office holders, and although he felt some obligation to reappoint those who were specially fitted for office, he had in fact a clean slate. The first period, although subject to certain fluctuations, was in fact dominated by the principles which Washington set up in making appointments to the new government. In general it may be said that along with a desire to deal fairly with all parts of the country he insisted upon certain prerequisites, notably fitness for the office, and loyalty to the new constitution.

The high ideal which Washington set for himself is nowhere better illustrated than in his disposition of the problem of the old soldier. Replying to the widow of one of his soldiers, he wrote: "Madam, I have duly received your affecting letter, dated the 8th day of this month. Sympathizing with you as I do in the great misfortunes, which have befallen your family in consequence of the war, my feelings as an individual would forcibly prompt me to do everything in my power to repair those misfortunes. But as a public man, acting only with reference to the public good, I must be allowed to decide upon all points of my duty, without consulting my private inclinations and wishes. I must be permitted, with the best lights I can obtain, and upon a general view of characters and circumstances, to nominate such persons alone to offices, as in my judgment shall be the best qualified to discharge the functions of the departments to which they shall be appointed." Anxious in part to build up support for the new constitution, and inspired also by a desire to import dignity to and inspire confidence in the new civil service, Washington took care that the men whom he appointed should have a good reputation in their local communities. In the latter part of his second administration after parties had been crystallized, he inclined toward appointing Federalists.

Methods of appointment were unchanged during the admin-

[1] For a more complete analysis see *Annual Report*, U. S. Civil Service Commission, vol. 15, pp. 443 ff. (1898); Carl R. Fish, *Civil Service and the Patronage* (1905); William D. Foulke, *Fighting the Spoilsman* (1919); C. E. Merriam, *The American Party System*, Chaps. 4-5 (1922); the official organ of the National Civil Service Reform League, *Good Government;* Samuel P. Orth, *The Boss and the Machine* (1919).

istration of John Adams, but the conditions were somewhat different. The Senate was less friendly to him than to Washington, and he was more dependent upon the advice of his associates. Fish summarizes the first twelve years of the new government in the following sentences:

> On the whole, the civil service under the Federalists seems to have been exceptionally honest. With the loose business tone prevailing in the country, a certain amount of loss was to be expected; but while there were defalcations, some attributable to dishonesty and some to bad management, they scarcely bear so large a proportion to the amount of money handled as they did in the succeeding period. The best proof of the general integrity of the service is that Gallatin, when directed by Jefferson to conduct a searching investigation of the Federalist financial administration, was able to find no evidence to its discredit.

The first real test of the principles which had thus far been established came with the inauguration of Jefferson in 1801. He found the public offices almost exclusively filled by his political opponents, and the bitterness of the preceding campaign, coupled with the hasty acts of the Federalist party as Adams' administration drew to its close, only aggravated the situation. Jefferson immediately became the center of considerable pressure for appointment to office.

He proceeded with the greatest caution, apparently sincerely desiring to abate the acrimonious feeling which had been stirred up between the two parties. He felt keenly, however, that his own party was entitled to a fair share of public offices, and began to restore the balance gradually. In July, 1801, he gave a careful statement of his position.

> If a due participation of office is a matter of right, how are vacancies to be obtained? Those by death are few: by resignation, none. Can any other mode than that of removal be proposed? This is a painful office; but it is made my duty, and I meet it as such. I proceed in the operation with deliberation and inquiry, that it may injure the best men least, and effect the purposes of justice and public utility with the least private distress; that it may be thrown, as much as possible, on delinquency, on oppression, on intolerance, on ante-revolutionary adherence to our enemies. It would have been to me a circumstance of great relief, had I found a moderate participation of office in the hands of the majority. I would gladly have left to time and accident to raise them to their just share. But their total exclusion calls for prompter corrections. I shall correct the procedure;

but that done, return with joy to that state of things, when the only questions concerning a candidate shall be, is he honest? Is he capable? Is he faithful to the Constitution?[1]

In the summer of 1803 Jefferson decided that the desired equilibrium had been attained and removals from office ceased. In most of Jefferson's appointments, fitness continued to be considered essential. The appointees, it must also be noticed, came from the same class of the population as those under the Federalists. The President wrote with regard to a candidate for a New England position, "His family has been among the most respectable on that shore for many generations." By the end of Jefferson's second administration patronage had ceased to be an issue. Fish asserts that technically one must assign to Jefferson the introduction of the spoils system in the national service, but it must be added that it was not until 1829 that any marked change in the established practice of appointment to federal office came into effect.

2. The Spoils System.

Within the States, however, the spoils system was not slow in establishing itself.[2] Pennsylvania, New York, and to a large extent, Massachusetts, became centers for sharp battles between factions in which one of the most powerful weapons was discovered to be control of the appointing power. That the lessons thus learned in state politics would eventually be applied on a national scale was almost inevitable.

The first step in this evolution was taken in 1820 in the passage of the Tenure of Office Act, by means of which the term of certain specified federal officials was made four years. The Tenure of Office Act was extended from time to time to cover other classes of officials, although it was not used for the purpose of spoils politics until the advent of the new Democratic party.

The year 1829 witnessed a remarkable transformation of the character of the federal service. The inauguration of Jackson was the first sign of the impending change. "The trimly dressed gentlemen of the old régime with their high stocks and good

[1] Jefferson, *Writings* (Washington ed.), vol. 4, pp. 402-05, quoted in Fish, *op. cit.*, pp. 35-36.

[2] *See* for one of the best accounts, Howard L. McBain, *DeWitt Clinton, and the Origin of the Spoils System in New York* (1907).

breeding were jostled by hack politicians from New York and country editors and farmers from the West." [1] An office-seeking friend of Amos Kendall said, "I am ashamed of myself, for I feel as if every man I meet knew what I came for." "Don't distress yourself," replied Kendall, "for every man you meet is on the same business."

It is not easy to explain the sudden transformation which Jackson introduced at Washington. It must be recognized that Jackson himself put the whole matter on a tenable basis. In his first annual message to Congress he formulated his philosophy in the following paragraphs.

There are, perhaps, few men who can for any great length of time enjoy office and power without being more or less under the influence of feelings unfavorable to the faithful discharge of their public duties. Their integrity may be proof against improper considerations immediately addressed to themselves, but they are apt to acquire a habit of looking with indifference upon the public interests and of tolerating conduct from which an unpracticed man would revolt. Office is considered as a species of property, and government rather as a means of promoting individual interests than as an instrument created solely for the service of the people. Corruption in some and in others a perversion of correct feelings and principles divert government from its legitimate ends, and make it an engine for the support of the few at the expense of the many. The duties of all public officers are, or at least admit of being made, so plain and simple that men of intelligence may readily qualify themselves for their performance; and I can not but believe that more is lost by the long continuance of men in office than is generally to be gained by their experience. I submit, therefore, to your consideration whether the efficiency of the government would not be promoted, and official industry and integrity better secured by a general extension of the law which limits appointments to four years.

In a country where offices are created solely for the benefit of the people no one man has any more intrinsic right to official station than another. Offices were not established to give support to particular men at the public expense. No individual wrong is, therefore, done by removal, since neither appointment to nor continuance in office is a matter of right. The incumbent became an officer with a view to public benefits, and when these require his removal they are not to be sacrificed to private interests. It is the people, and they alone, who have the right to complain when a bad officer is substituted for a good one. He who is removed has the same means of obtaining a living that are enjoyed by the millions who never held office. The proposed limitation would destroy the idea of property now so generally connected with

[1] Fish, *op. cit.*, p. 109.

official station, and although individual distress may be sometimes produced, it would, by promoting that rotation which constitutes a leading principle in the republican creed, give healthful action to the system.[1]

Jackson was probably sincere in believing that there was a real danger of the development of an un-American bureaucracy, an event which he was determined to avoid. Coupled with this fear, however, were his well-known personal characteristics. Vigorous, abrupt, governed by the strongest passions, he forgot neither friend nor enemy. He was not only convinced that persons who held office under Adams entertained wrong political ideas, he also felt many of them to be his personal enemies.

As secretary of state the President selected Martin Van Buren, an astute New York politician, who brought with him to Washington the fruits of long training in the New York school of politics. Van Buren was thoroughly aware of the power which control of office gives and there can be no doubt that Jackson's democratic philosophy, his personal antipathies and Van Buren's political methods all fitted in together to produce the result which so startled and alarmed the conservative men in all political groups.

The immediate results of the wholesale removals and appointments which Jackson made were much those which might have been expected. The efficiency of the administration rapidly declined. The tone of office holding underwent a transformation. The standard of integrity which had on the whole been well maintained until 1829 began to suffer. We have notable instances of peculation which occurred during Jackson's own administration. Of these perhaps the most remarkable was the case of Swartwout, appointed by Jackson as collector of the port of New York. Swartwout fled to Spain in 1837, having stolen something over $1,250,000. The land offices were very loosely conducted. Fish reports the case of the receiver of public money at Columbus who had speculated with government funds. The inspector who examined the case wrote to the Secretary of the Interior, "The man seems really penitent; and I am inclined to think, in common with his friends, that he is

[1] Richardson, *Messages and Papers of the Presidents*, vol. 2, pp. 448-49.

honest, and has been led away from his duty by the example of his predecessor, and a certain looseness in the code of morality which here does not move in so limited a circle as it does with us at home. Another receiver would probably follow in the footsteps of the two. You will not, therefore, be surprised if I recommend his being retained, in preference to another appointment; for he has his hands full now, and will not be disposed to speculate any more. . . . He has, moreover, pledged his word that, if retained, he will strictly obey the law. . . . Lenity towards him . . . might stimulate him to exertions which severity might perhaps paralyze."

It did not require the revelations of these peculations to cause the leading statesmen of the time, and particularly the leading Whigs, to condemn the new régime. Clay, Webster, and Calhoun all went on record on more than one occasion as being entirely opposed to removal from office for party reasons. The Senate, as a whole, made ineffectual attempts to restrain the President in his course of action. But as Fish points out, the reformers of that generation constantly made two capital mistakes; they were interested only in removals from office, rather than in the method of making appointments, and they desired to substitute the Senate for the President as the controlling agency in personnel matters.

It would have been supposed, from the repeated declarations of the Whig leaders, that with the election of Harrison in 1840 the country would have been restored to the traditional practices of the Massachusetts and Virginia statesmen. But the pressure upon the leaders of the Whig party, which now came into power for the first time, was too great to be withstood and the record of the Harrison-Tyler Administration is not substantially different from that of Jackson. There followed during the next twenty years a constant alternation of parties which fixed the spoils system upon the country so thoroughly that it has not yet been eliminated.

"The true cause for the introduction of the spoils system," writes Fish, "was the Triumphful Democracy. It is an essential idea of democracy that these leaders shall be of the people, they must not be gentlemen of wealth and leisure, but they must—the majority of them at any rate—belong to the class that makes its own living. If then, they are to devote their time to politics, politics must be made

to pay. It is here that the function of the spoils system becomes evident. The civil service becomes the pay roll of the party leader."

3. The Reform Movement.

Although this conception of democracy is still held by large sections of the American people, the exigencies of the public service are more and more making inroads upon the theory that any man with a few weeks' training can hold any office. It is no longer indignation at the perversion of public office which is breaking down the spoils system so much as the urgent necessity that technical work be competently done in the administrative service. It is this situation, which as compared with the days of Calhoun and Webster is wholly novel, that is compelling the gradual extension of the ideas of merit and capacity in the public service.

Legislation looking towards this end goes back as far as 1853. Congress then prescribed that clerks in the departments should be arranged in four classes, and that no clerk should be appointed until he had been examined and found qualified by a board of three examiners selected by the head of the department. This law was extensively applied for a few years, but its enforcement gradually weakened.[1] Mayers quotes the civil service commission in the following criticism of this statute:

> The essential vices of the pass-examination system were these:
>
> 1. The examinations were not open to all persons apparently qualified, nor even to all such persons belonging to the dominant party, but rather to such of the favorites of the dominant faction of that party as members of Congress and great politicians recommended.
>
> Though the more disinterested and patriotic of those who monopolized patronage brought large numbers into the service who were both capable and worthy, the tendency was strong in favor of the office-begging and office-earning classes.
>
> 2. The tenure of the members of the examining boards was too precarious for strong resistance to influence and solicitation, but it should be said to their credit that they sometimes defeated the great officers and politicians who tried to push their favorites past the examinations.
>
> 3. These pass examinations denied the government a choice from among the most meritorious applicants. There was no competition or comparison of merits between them, but only the chance of taking a person examined separately, on peril of offending his backers by refusing him.

[1] *See* Mayers, *op. cit.*, pp. 41-42.

Omitting reference to certain other special legislation, it appears that Congress made no comprehensive attempt to deal with the selection of personnel until 1871. In that year the President was authorized "to prescribe such regulations for the admission of persons into the civil service of the United States as may best promote the efficiency thereof, and ascertain the fitness of each candidate in respect to age, health, character, knowledge, and ability for the branch of the service into which he seeks to enter, and for this purpose he may employ suitable persons to conduct such inquiries and may prescribe their duties and establish regulations for the conduct of persons who may receive appointments in the Civil Service."

This statute was abandoned by President Grant in 1873 owing to lack of appropriation and the absence of moral support from Congress. It still remains, however, an integral part of the statutes regulating personnel in the federal government.

Agitation for further legislation went on with undiminished vigor under the devoted leadership of George William Curtis, Carl Schurz, Dorman B. Eaton, and others. The assassination of President Garfield in 1881 by a disappointed office seeker finally crystallized public sentiment to demand more drastic legislation to curb the baneful effects of the spoils system. This resulted in the enactment of the Pendleton Act, which is the basis of the civil service regulations in force and effect today.[1]

The movement for reform in the civil service has slowly taken root in state and local governments.[2] Ten states, including New York, Massachusetts, New Jersey, Maryland, Ohio, Illinois, Wisconsin, Nebraska, Colorado, and California, have legislation on the subject. Over two hundred cities have their civil service laws and regulations in addition to a few counties, the out-

[1] An interesting early evaluation of the merit system is to be read in Fred P. Powers, "The Reform of the Federal Service," *Political Science Quarterly*, vol. 3, pp. 247-81 (1888). Compare also the pessimistic account by Henry Jones Ford, "Political Evolution and Civil Service Reform," *Annals*, vol. 15, pp. 145-59 (1900). The Democratic party in 1896 declared in its platform, "We are opposed to life tenure in the public service, except as provided in the constitution. We favor appointments based on merit, fixed terms of office, and such an administration of the civil service laws as will afford equal opportunities to all citizens of ascertained fitness." Kirk H. Porter, *National Party Platforms*, p. 186 (1924).

[2] Read Harold F. Gosnell, *Boss Platt and His New York Machine*, ch. 9, "The Distribution of the Spoils" (1924); "Public Administration and Partisan Politics," *Annals*, vol. 64, *passim* (1916); National Civil Service Reform League, *The Foreign Service* (1919); W. E. Morgan, "Civil Service in Post-War Adjustment," *Annals*, vol. 82, pp. 100-10 (1919).

standing example of which is Los Angeles County. It will be seen, therefore, that in the forty years that have elapsed since the passage of the first civil service law, substantial progress has been made in securing legislation in various jurisdictions. It must be admitted, however, that large sections of the public service still remain in the "dark continent" of spoils politics and that civil service reformers have been only partially successful. Equally regrettable is the lax and inefficient enforcement of many of the statutes, resulting in a situation not very different from that which prevailed with a complete acceptance of party control of public offices.

Reference to a few of the outstanding events of the last decade will illustrate the vitality of the spoils system. The advent of the Democratic party to power in 1913 after a long sojourn in the desert was the signal for a general scramble for office, which President Wilson was able to withstand only in part. Mr. Bryan's famous letter to the collector of customs in San Domingo in favor of "deserving Democrats" indicates that even in high places some curious conceptions of the public service prevailed.[1] In 1915 Elihu Root delivered his eloquent denunciation of the invisible government of New York.[2] In 1917 President Wilson issued his well-known executive order, instructing the Civil Service Commission to hold examinations as vacancies occurred in first, second, and third class postmasterships, and announcing that he would nominate to Congress only the name highest on the list, regardless of political affiliation. This rule was consistently adhered to, even at the expense of nominating a Republican to be postmaster of Boston.[3]

The election of President Harding instituted the usual demands, now from the Republican organization, for places. Mr. Harding was unable to withstand the pressure, which to a greater degree than in the case of his predecessor was directed from within his official household. The rule on presidential postmasters and its administration was modified so that it became relatively easy to secure Republican postmasters, surveys were made to locate available positions, and some extraordinary

[1] See *Outlook*, vol. 109, p. 163 (1915).
[2] Elihu Root, "The Invisible Government," reprinted in the *Annals*, vol. 64, pp. x-xiii (1916).
[3] The full story of the postmasters will some day make an illuminating chapter in the history of the merit system.

dismissals were made.[1] The Attorney General advised the Appropriations Committee of the House of Representatives, "I do not speak for the administration, but I am giving you the benefit of my observation and judgment, about which I have no doubt, and I am thoroughly convinced that the civil service is a hindrance to the government. I would rather take the recommendations of a political committee, either Democratic or Republican, a self-respecting committee, for the appointment of a man or woman than be compelled to go through the requirement of the civil service to secure an employee."[2] The First Assistant Postmaster General intimated that the merit system should be confined to the positions envisaged by its originators, to wit, those paying not over $1,800, and complained that the classified service had now reached positions paying as much as $5,000.[3] The notorious breakdown of the prohibition unit of the Treasury department is due in no small measure to the uncontrolled appointment of incompetent and unfit officials.[4] In spite of these handicaps, the United States Civil Service Commission is performing valuable work.

Within the states, the same battle rages. Connecticut abolished the merit system root and branch in 1921.[5] In Illinois the

[1] Bureau of Engraving and Printing incident, in which 31 employees were dismissed "for the good of the service," by methods which were apparently unlawful and for reasons which were found to be unwarranted.

[2] Good Government, vol. 39, p. 42 (1922).

[3] See H. W. Marsh, "The Recent Spoils Raid in Washington," *National Municipal Review*, vol. 11, pp. 269-74 (1922). The following article in a leading American municipal journal published in 1926 illustrates misconceptions which are too widely held.

"*Civil Service*

"The national civil service commission wants postmasters, prohibition officers and many other government employees placed under civil service. If this effect is successful another vast army will be added to the permanent office holders of the country and efficiency will be lowered in direct proportion to the certainty with which the officers are assured of their job. Civil service of officers and employees, national, state, and municipal, under the systems now in force, results in a vast waste of the public revenue, and creates classes of public employees whose first object in life is to raise their wages and reduce their work. In every case where employees are placed under civil service, they have immediately organized for just one purpose, that is to secure an increase in wages. The fundamental trouble with the civil service is that when a person is once appointed to a position it is almost impossible to secure his removal irrespective of his incompetence or misconduct. He is secure in his position and can give all his time to an effort to increase his wages or reduce his hours of work, or both. The correct idea of civil service is to insist on the appointments being made on merit and then make the removal relatively easy. This would result that those under civil service will attend to their duties rather than politics and the public service will be vastly improved over the present situation." *American Municipalities*, vol. 50, no. 4, p. 14 (1926).

[4] See *Collier's Weekly*, September 19, 26, October 3, 1925.

[5] Laws 1921, ch. 126.

administration of the merit law since 1921 has been such as to destroy its usefulness. In Kansas the law is dormant for lack of appropriation. In Chicago from 1915 to 1923 the administration was entirely out of sympathy with merit principles. In other states, however, real progress is being made, notably in New York, Massachusetts, New Jersey, Wisconsin, and Maryland. Excellent work is also being done in Los Angeles, in St. Paul, in Milwaukee, and in other jurisdictions.[1]

4. Veteran's Preference.

One of the most perplexing problems is presented by the war veteran. Preference legislation had been in existence before the World War, but in recent years it has been extended, while the vast increase in the number of potential service-men applicants has made the issue one of prime importance in municipal, state, and federal governments.

The extent of preference accorded by existing statutes varies. The federal rule requires a rating of 70% in the examination for all applicants, but gives veterans five points and disabled veterans ten points in addition to their earned ratings. An appointing officer who passes over the name of a veteran and selects a non-veteran with the same or lower rating from a certificate of eligibles must place his reasons for so doing on file in the department records. Veterans cannot be discharged in the event of reduction in force if their record is good, they are released from age requirements and from many physical requirements, and are not affected by the rule for geographical distribution. Other less important exceptions are made in their favor.[2]

In Massachusetts veterans are entitled to much greater consideration. All veterans who pass examinations for appointment to any classified position are placed upon the eligible lists in the order of their standing above the names of all other applicants.[3] Qualified disabled veterans are placed on the lists before the veterans. No veteran may be removed or suspended, or without his consent transferred to other employment, nor may his office be abolished or his rank or compensation lowered

[1] The history of the decline of the spoils system in Great Britain may be read in Robert Moses, *The Civil Service of Great Britain* (1914).
[2] United States Civil Service Commission, *Civil Service Act and Rules*, etc.
[3] Massachusetts General Laws, Title iv, sec. 24.

except after a full hearing, and seventy-two hours' notice. Special provision is made for reinstatement, restoration to eligible lists, and temporary appointment. Commenting on these provisions, the commission on administration and finance deprecated many of the existing preferences and pointed out the danger of a reaction which would result in the abolition of all preference.

A dramatic situation arose in New York State in the attempt to extend the preference conferred by the constitution to Civil War veterans to the World War veterans. The Court of Appeals declared unconstitutional a statute dedicated to this purpose, whereupon the Assembly proposed a constitutional amendment.[1] After a lively campaign, the proposed amendment was defeated at the polls by a vote of 699,697 for to 1,090,418 against.

These cases will be enough to illustrate the general situation. In the federal service the proportion of veterans receiving appointment is now over twenty per cent annually.[2] What the effect of this preference will be is not yet clear, but it hardly seems possible to avoid a loss in efficiency by the application of the Massachusetts rule. The problem is a world wide one, and information from Great Britain indicates that the British service is suffering from the preference given to ex-service men. From the point of view of good administration, such preference is without question to be deplored.

5. Civil Service Legislation.

It will be useful at this point to summarize the content of a typical civil service law and regulations in order to give a comprehensive view of the legal situation today where the

[1] *See* Laws of 1920, ch. 282; *Barthelmess vs. Municipal Civil Service Commission of New York*, 200 Court of Appeals 100; Annual Report, New York State Civil Service Commission, vol. 39, pp. 12-18 (1922). An admirable statement of the whole case could be developed from the arguments presented in this referendum.

[2] The following figures are given in *Annual Report*, United States Civil Service Commission, vol. 42, p. xi (1925).

Year	Number	Per Cent
1920	15,750	14.0
1921	14,000	14.0
1922	18,760	30.0
1923	19,137	34.0
1924	17,029	25.9
1925	11,404	23.3

merit system prevails.[1] The federal law and regulations may serve as the model, although the statute is much briefer than most of the state laws, leaving relatively much to the rules and regulations. It creates a commission of three members, of whom not more than two may belong to the same political party, appointed by the President with the consent of the Senate for a term of six years, one retiring every two years. The commission is required to aid the President in preparing suitable rules, which shall provide as nearly as the conditions of good administration will warrant for open competitive examinations, practical in character, and related to matters which will fairly test the relative capacity of persons examined.

Candidates are certified from the eligible list to the appointing official in groups of three, from among whom he has freedom of choice. Service begins with a probationary period of six months. No person in the classified service is under any obligation to contribute to political funds nor has he any right to use his official authority to coerce the political action of any person. The commission is authorized to make investigations and reports upon all matters touching the enforcement and effect of the rules. Provision is made for a chief examiner, a secretary, and local examiners. A general rule requiring an examination as the basis for promotion, unless special exemption is made, is laid down in the law. There are several sections prohibiting political assessments and contributions.

By later statutes, it is provided that no person in the classified service shall be removed except for cause and for reasons given in writing with a period for answer. The commission was directed in 1912 to establish a system of efficiency ratings, a duty which was later transferred to the Bureau of Efficiency. The rules of the commission amplify the terms of the statutes in many respects, and in fact form the bulk of the working body of regulations. These rules are concerned with the exclusion of politics and religion, type of examination, qualifications of applicants, certification, temporary appointment, reinstatement, transfer, promotion, removal and reduction. They in turn are the subject of further definition by Opinion of the

[1] For problems of constitutionality, consult Harold Harper, "Constitutionality of Civil Service Legislation," *Pol. Sci. Quarterly*, vol. 22, pp. 630-44 (1907); and B. A. Arneson, "Constitutionality of Merit System Legislation," *Am. Pol. Sci. Rev.*, vol. 13, pp. 593-606 (1919).

Attorney General or Comptroller of the Treasury, by minute of the Commission, by executive order, and by judicial decision, so that a complicated jurisdiction has developed.[1]

Regulations in other governmental areas define with great detail the causes for removal and the procedure required at hearings. Others emphasize the duty of checking payrolls and ensuring observance of the terms of the statute. With some variations, however, each set of laws and regulations attempts to cover the length and breadth of personnel management.[2]

[1] Copy of the "Civil Service Act, Rules, Statutes, and Executive Orders" may be obtained from the Government Printing Office; the secretaries of state and local commissions are usually able to furnish similar compilations. *See also* A. S. Faught, "Review of the Civil Service Laws of the United States, *National Municipal Review*, vol. 3, pp. 316-26 (1914); and "Model Civil Service Law for States," drafted by the National Civil Service Reform League, reprinted in A. W. Procter, *Principles of Public Personnel Administration*, appendix 3 (1921).

[2] The literature dealing with public personnel administration is voluminous. For official publications, consult the annual reports of civil service commissions, the special reports of classification agencies, and the reports of official investigating committees. For secondary material, see the *Proceedings* of the National Assembly of Civil Service Commissioners, *Good Government*, the organ of the National Civil Service Reform League, and the following books and articles.

Lewis Mayers, *The Federal Service* (1922); Arthur W. Procter, *Principles of Public Personnel Administration;* Carl R. Fish, *Civil Service and the Patronage* (1905); E. A. Fitzpatrick, *Experts in City Government* (1919); L. W. Frankel, *Personnel Work in the Post Office Department, Proceedings, Academy of Political Science*, vol. 9, pp. 687-691 (1921); Henry Moskowitz, "Old and New Problems of Civil Service," *Annals*, vol. 64, pp. 153-67 (1916); E. P. Wheeler, "Rise and Progress of the Merit System," *Political Science Quarterly*, vol. 34, pp. 486-92 (1919); F. E. Breithut, "The Engineer in Public Service," *Municipal Research*, No. 78, 79 (1916); same author, "Status and Compensation of the Chemist in the Public Service," *Journal of Industrial and Engineering Chemistry*, vol. 9, pp. 64-79 (1918); "Personnel and Employment Problems," *Annals*, vol. 65, *passim* (1916); "Competency and Economy in Public Expenditures," *Annals*, vol. 113, pp. 306-61 (1924); W. F. Willoughby, "Efficient Organization of the Personnel in Administration," *Proceedings, Academy of Political Science*, vol. 3, p. 80 (1913); "Employment Management in Municipal Civil Service," *National Municipal Review*, vol. 12, pp. 441-513 (1923); and *The Character and Functioning of Municipal Civil Service Commissions in the United States*, a Report of the Committee on Civil Service of the Governmental Research Conference; National Civil Service Reform League, "A Study of Personnel in Food Inspection" (Mimeograph report, 1925).

For material dealing with the personnel problem in industry, see Ordway Tead and Henry C. Metcalf, *Personnel Administration* (1920); Eugene J. Benge, *Standard Practice in Personnel Work* (1920); Walter D. Scott and Robert C. Clothier, *Personnel Management* (1923); Daniel Bloomfield, ed., *Problems in Personnel Management* (1923); Lee K. Frankel and Alexander Fleisher, *Human Factor in Industry* (1920); J. David Thompson, "Personnel Research Agencies," *Bulletin* of the United States Bureau of Labor Statistics, No. 299 (1921).

CHAPTER ELEVEN

MORALE: THE OBJECTIVE OF MODERN MANAGEMENT

I have repeatedly stated that it is our intention to humanize the postal service. I mean by that that I want to make every man and woman feel that in this greatest of all the world's business undertakings he is a partner, whose individual judgment is valued and whose welfare is of the utmost importance to the successful operation of the whole organization. The postal employees are, in a high sense, the servants of the republic. They make functioning of a democracy possible. They are more than employees —they are members of an order.

Postmaster General Hays.

1. Introduction.

The classic descriptions of the American system of government are barren of allusion to the whole subject of administration, and *a fortiori* to that phase of it which deals with the intangible matters of the spirit comprehended by the term morale.

The outlook of the classical school of American publicists, with its rigid analysis of constitutional forms and the severe logic of its conclusions, was unsympathetic to the delicate shades of difference which little by little make or destroy the internal harmony of an administrative system. "Sovereignty," declared Burgess, "is the original, absolute, unlimited, universal power of the state over the individual subject and over all associations of subjects."[1] How difficult to bridge the gap from so compelling a legalism to the social and individual adjustments which define morale!

But it is not only the classical school of American professors of government who are responsible for the disregard of morale; the greatest share of the responsibility is justly heaped upon the theory of rotation in office and its pernicious but legitimate offspring, the spoils system. No semblance of pride in the service of the government could develop when office became the center of an ill-natured scramble among "hack politicians,"

[1] John W. Burgess, *Political Science and Comparative Constitutional Law*, vol. 1, p. 52 (1891).

who wielded authority for a brief day with motives seldom higher than the perpetuation of their jobs and often lower than those of common thieves. It is difficult to assess the jealousies, disappointments, bickering and strife, the perversion of the interests and incentives that are essential to good administration which flourished like a rank undergrowth in the rotting soil of "spoils" politics. Nothing short of the uprooting of the whole system in large areas of American public life was essential to even the mere consideration of the higher type of administration which it is the function of morale to sustain.

That herculean cleansing of the stables has been substantially accomplished in a sufficient area to permit the friends of good government to inquire into the constructive problems of maintaining an alert, well-tempered, and cultivated staff of employees in the ranks of the official hierarchy. The task which they have already begun to set for themselves is beset with difficulties. It presupposes a general level of public interest and understanding which certainly has not been uniformly attained; it has to do battle not only with powerful political organizations whose supposed interests would suffer from an impartial and competent management of personnel, and with the general inertia which every proposal for change may encounter, but also with the skepticism, even cynicism, of masses of employees too sophisticated longer to struggle for a new order; it can oppose to the loud assertions of the impossibility of its program only a profession of faith, the analogy drawn from other social organizations, and the teaching of psychology and the social sciences, arguments which it must be admitted are not precisely those best adapted to carrying conviction to bureau chiefs, department heads and legislators.

The problem is different in degree only, not in kind, from that which is put by every human organization, public or private. The framework of government is on a larger scale, the relations of its parts of a somewhat different order, the immediate environment of its personnel with its own peculiarities; but fundamentally its task in maintaining the spirit of its members is the task of business, of transportation, of philanthropy, of the church, of the university, for all of them must deal with the technique of cooperation, and the adjustment of individual to individual, and each to all.

The scientific basis of the problem is now slowly emerging from the contributions of practice and theory which all these types of human aggregations are pouring into the common measure. The problem is being defined and its theoretical basis laid by the psychologists, the social psychologist and the social scientist, but at the same time the practitioner is ceaselessly at work, experimenting, adjusting, observing, perfecting the devices that "work."[1]

Attention to morale was immensely stimulated by the war. The morale of the fighting forces was the constant solicitude of a special corps of morale officers who ingeniously developed one set of stimuli after another to inspire the men with the essential determination to carry on. But as the war went on, the morale of the civilian population became the target of each group of belligerents, and tons of literature were scattered broadcast to sow dissension and to stimulate war weariness. That these efforts played an important rôle in ending the war there can be no doubt, but the price paid in the universal spread of distrust and suspicion was certainly large.

On the other hand, under the stimulus of war conditions there ensued a tremendous burst of energy in all the belligerent countries. Invention, production, the elimination of waste, the more effective application of available resources, all marched forward at a tremendous pace. But at the close of the war and with the elimination of the incentives that produced these unexampled results came a marked abatement of human energy. Here may be found, however, the most remarkable illustration in our generation of the latent capacities of human beings. On a less dramatic scale, and to a degree which need not necessitate a succeeding period of exhaustion or lassitude, untouched possibilities of civil life may also be developed. In a hundred ways—by education, by exhortation, by competition, by ambition, by loyalties of many sorts, the attempt is in fact being

[1] The theoretical bases of morale can be approached through G. Stanley Hall, *Morale, the Supreme Standard of Life and Conduct* (1920); Seebohm Rowntree, *The Human Factor in Business* (1921); John R. Commons, *Industrial Goodwill* (1919); Edward L. Munson, *The Management of Men* (1921); William E. Hocking, *Morale and Its Enemies* (1918).

Industrial morale may be studied in "Constructive Experiments in Industrial Cooperation between Employers and Employees," *Proceedings of the Academy of Political Science*, vol. 9, No. 4 (1922), and in Sumner H. Schlichter, "Industrial Morale," *Quarterly Journal of Economics*, vol. 35, pp. 36-60 (1921).

made to draw out the full potential of human capacity.[1] The study of morale should reveal the conditions and the methods by which this objective can most readily be achieved.

2. The Nature and Elements of Morale.

Morale is a spirit which expresses itself in enthusiasm, loyalty, cooperation, devotion to duty, pride in the service.[2] It is characteristic both of the individual and of the group and with regard to each we can speak of a high morale, or a low morale. Those conditions which make for a high morale may be thought of collectively as incentives while their opposites are well called depressives. Morale is both a symptom, an index of the net result of the whole employment situation, and a positive quality which may be specifically cultivated, ultimately obtaining a degree of dissociation from particularities which enables an organization or an individual to dominate obstacles ordinarily insuperable.

The bases of such a spirit, the incalculable value of which for any enterprise (and not least the state) is obvious, are complex and as yet only partially understood. It is clear that every phase of the conditions of employment are weighed in the scales that measure satisfaction or discontent, and that only a well-rounded and well-developed employment policy can be adequate to lift morale to the levels attainable. Writing of the same problem in industry in words which are equally *a propos* of government, Sheldon says, "Without some general motive, the appeal for cooperation in industry is a voice in the wilderness. The motive for cooperation must be accepted before cooperation can become effective. A society cannot be formed without an object to which all the members can subscribe.

"Is it impossible to picture it?—a motive comparable to that which wafted the sails of the Mayflower from Leyden; comparable to that which added pillar to pillar, buttress to buttress,

[1] *Cf.* David Craig and W. W. Charters, *Personal Leadership in Industry* (1925).

[2] In my study of Conditions of Municipal Employment in Chicago, I defined the term for the purpose then in hand as (1) a state of mind in which the individual voluntarily seeks to develop and apply his full powers to the task at which he is engaged, by reason of the intellectual or moral satisfaction which he derives both from his self-realization, his achievements in his chosen field, and his pride in the service; (2) a social situation in which a group of men and women are animated by these motives and are conscious of the fact that these incentives are dominant among their number.

stone to stone of our great cathedrals; comparable to that which, by the passing of innumerable feet, made a way to the shrine of Canterbury, and a path across the desert to the Holy City of Mecca?" [1]

There is a unity throughout the many branches of public administration which makes easy an answer to this question, in terms not far different from those which Sheldon employs for industry, i.e. "service to the general commonalty of the world." In public office this is all the more obvious and conspicuous, but as yet almost entirely inarticulate. It remained for a high-minded group of civil servants in Sheldon's own country to speak the unifying ideal of the public service, in the motto of the Society of Civil Servants, "We serve the state." How lamentably this ideal has been scoffed at, perhaps even worse, ignored in American public life is sufficiently clear, but we hazard the assertion that in it is to be found a potential psychological impulse of infinite virtue. Capable leadership within the framework of the administration as well as without must seize upon it as the cardinal point in the program of developing morale within the special environment of public life.

But this common animating ideal needs the support of many other contributing elements in the total psychological environment. High among these must be ranked the sentiment of justice, fair play, "a square deal." Its presence is a stimulating force which inspires mutual confidence and which diminishes the significance of small irritations by setting them in a healthy social situation. Its absence is the occasion not only for open and hidden resentments, loss of interest and initiative, and lack of cooperation, but also for the certain tendency to magnify all misunderstandings into grievances of first importance. Any branch of the employment situation may be productive either of the sense of fairness or of injustice, but it is probably accurate to assert that "unequal" pay for equal work, unwarranted advancement of favorites for reasons other than merit, and political interference have caused most disturbance. The sense of injustice commonly involves only the fortunes of the individual, but in many cases it engages the interest of a whole class of

[1] Oliver Sheldon, *Philosophy of Management*, pp. 194-195 (1923); cf. Ian Hamilton, *The Soul and Body of an Army* (1921); Ordway Tead, "Purpose as a Psychological Factor in Management," *Bulletin of the Taylor Society*, vol. 10, pp. 254-267 (1925).

employees. Then indeed it becomes of prime importance to the responsible authorities.

Study of the attitudes of employees leads one to believe that it is the sense of security they seek above all else, although certainly not to the exclusion of all else, in entering public employment, and security it is which looms large among the satisfactions which hold them there. They are exempt from periodic depressions and the accompanying unemployment of economic cycles; they are undisturbed by lockouts, foreclosures, and for the most part strikes; they are substantially certain of life employment and a retirement pension, with benefits in case of death or disability; and they look upon these circumstances with unalloyed satisfaction. Eliminating the anxiety and the uncertainty of the commercial world, these conditions clearly form one of the substantial bases of morale.[1]

From the foregoing paragraph, the reader must guard against the inference that civil servants are characterized by indolence, indifference, and mental inertia. The proportions of brilliance and mediocrity will probably not vary greatly in a chance selection of a thousand public employees and an equal number of industrial and commercial workers, with a probable expectation of a smaller distribution at the two extremes of the civil servant group. In the civil service, as elsewhere, the human need for self-development counts heavily in sustaining morale, and especially among the younger and more gifted members it is essential to provide constantly more arduous and responsible employment. Men and women too easily get "in a rut," where many of them rest easily enough; but the minority fret under conditions which will not regularly enlarge their opportunity and also their obligations. It is precisely at this point that present conditions in American administration make it difficult to sustain morale.

A favorable psychological environment is closely related to adequate recognition of meritorious service. The desire for recognition is a universal attribute, the conversion of which to the uses of good administration remains to be achieved. Recognition is an entity distinct from reward; it is a social commodity, possession of which raises the individual in his own

[1] *Cf.* John Lee, "Security," *Journal of Public Administration*, vol. 1, pp. 45-48 (1923).

esteem by reason of the approbation of his fellows, and spurs him on to achieve the new ideal which has had birth in the commendation itself.[1] How difficult it is not to live up to the standards which one's associates set for one; and those standards are set constantly higher by the recognition of the attainments both of the individual and his group. In professional circles the incentive supplied by recognition is everywhere appreciated, but it can surely become as effective among street cleaners and health inspectors, pumping engineers and file clerks when their standards are defined and their achievements appreciated.

War morale borrowed heavily from the sentiment of loyalty and some business organizations are extremely successful in cultivating a sense of fidelity.[2] No institution has greater possibilities for developing institutional loyalty than government, with its appeal to the sense of patriotism and the dramatic qualities of serving the republic which thrills every boy who dreams of becoming a consul in some distant port. Among public employees there is a great fund of such loyalty, but never has any systematic attempt been made to put it at work within the administration.[3] Institutional loyalty probably counts for less now, at least superficially, than personal loyalty. By this is meant the attachment which springs up between bureau chiefs and their subordinates, which finds expression in such informal comments as, "He is a real man," or, "He goes to the front for his men," or, "He takes a personal interest in you." The mixture which creates this bond is a complex one, comprising various proportions of agreeable personality, professional

[1] In cases of exceptional merit among postal employees, the fact has been mentioned in a note of appreciation published in the *Postal Bulletin*. See my *Conditions of Municipal Employment in Chicago* for other illustrations and suggestions.

[2] Boyd Fisher, *Industrial Loyalty* (1918).

[3] "Does anybody imagine that any private firm or company could run the British navy? They could not. You would not get the public spirit that is required in the British navy from any private concern. Not only does your great Admiral laugh at the notion that because he is paid on a by no means high scale, he should therefore look about for civil employment which would be offered him on more remunerative terms. No; he is there for the glory of the thing. Now you can have that in the same way, if you appeal for it, in every department of the state service. A man there may be as proud of his work, and feel the same devotion to the State, as he can in the other services." Lord Haldane, "The Machinery of Government," in *The Civil Servant and His Profession*, pp. 21-44, at p. 39 (1920). Lord Haldane develops this point of view at length in his testimony before the Royal Commission on the Coal Mines, reprinted in America under the title "The Problem of Nationalization," *Dunster House Papers* No. 2. The student should read this important contribution without fail.

competence, prestige, and leadership, together with a certain reserve and dignity proper to the higher positions.

Industrial leaders have done much with the human quality of sociability to create a sense of good will. They consciously set about the enlargement of the social intercourse of their employees, believing that it goes far in maintaining a spirit of contentment and corporate unity. Without any encouragement and sometimes in the face of definite opposition the desire for association makes itself felt in the public service. It is revealed not only in the important associations of government employees described in the preceding chapter, but in the thousands of small and humble groups which spontaneously arise where men and women of like interests gather. There is no doubt that they play a useful rôle. They enlarge acquaintanceship and help to build up a sociable atmosphere. They instill the idea of unity of the department. Their entertainments give an opportunity for talented members to reveal their accomplishments. Their elections stir up friendly rivalry, and the men and women who are chosen have an opportunity to develop qualities of leadership. Mutual interest in matters quite unconnected with the city service brings together special groups, such as athletic clubs, musical clubs, and study classes. In and through all of these the kinship of the department is knit constantly closer.[1]

Pride of accomplishment sustains morale. The tendency to identify self with the social units of which one is a member carries along with it the feeling of personal satisfaction in the achievements of the group. A spectacular conquest at a dangerous conflagration gives a sense of enlarged importance to the whole fire department; and a newspaper compliment to the police force for its courtesy tends to affect the attitude of many policemen. On the other hand failure to accomplish the full task is an irritant among conscientious employees.

In some quarters the prestige value of public employment helps to sustain the spirit of employees. To what extent this element counts has never been systematically considered, but it is well known that the traditional American lack of feeling for "the state" in the continental sense of the word diminishes

[1] *Cf.* Will H. Hays, "Value of Good Will in Government Employment," *Proceedings Academy of Political Science*, vol. 9, pp. 668-678 (1922), and "The Human Side of the Postal Service," *Review of Reviews*, vol. 64, pp. 625-640 (1921).

the prestige value of office. An important study is needed to indicate in what circles this attitude is prevalent, and how much it counts in the motivation of applicants for public employment.

Finally it is true in public employment as elsewhere that adjustment of the individual to the job is of primary importance. Vocational education has made it plain that an immense loss of creative power is suffered from lack of proper adjustment and that new sources of energy are tapped when the individual is satisfactorily related to his task. To relate the city employee to his work in such a way as to draw out his full initiative and whatever creative powers he may possess is a task involving both the special adjustments of the individual and the general framework within which he labors. The general framework must be such as to eliminate depressives; the individual adjustment must be such as to bring out the most complete response. Significant work is being carried on in industrial circles by psychologists, seeking by careful analysis of individual employees to correct or eliminate any mental attitudes which prevent the full development of their latent capacities. It is theoretically certain that the application of such methods to public employment would release stores of energy now latent in individuals who are maladjusted to their work.[1]

3. The Depressives of Morale.

In general the depressives of morale may be considered as the converse of the conditions described in the preceding section. Injustice in conditions of employment, lack of security, cramped opportunity for self-expression, absence of recognition, undeveloped social life, weakened loyalties, failures in accomplishment, individual maladjustment may be normally expected to drag morale into the unwholesome pits of discontent, sullenness, insubordination, and sabotage.

Two recent studies have given specific evidence on this point, one dealing with the federal service in the District of Columbia,

[1] *See* Elton Mayo, "Revery and Industrial Fatigue," *Journal of Personnel Research*, vol. 3, pp. 273-281 (1924), and "The Basis of Industrial Psychology," *Bulletin of the Taylor Society*, vol. 9, pp. 249-259 (1924); Charles S. Myers, "The Study of Fatigue," *Journal of Personnel Research*, vol. 3, pp. 321-334 (1925); *Reports of the Industrial Fatigue Research Board; Journal of the National Institute of Industrial Psychology;* H. M. Vernon, *Industrial Fatigue and Efficiency* (1921); C. S. Yoakum, "Experimental Psychology in Personnel Problems," *Bulletin of the Taylor Society*, vol. 10, pp. 154-160 (1924).

the other dealing with the municipal service of Chicago. Their findings will be noted in summary form. The Congressional Joint Commission on Reclassification of Salaries found that "there is serious discontent, accompanied by an excessive turnover and loss, among the best trained and most efficient employees; that the morale of the personnel has been impaired; that the national service has become unattractive to a desirable type of technical employee." [1] This discontent was chiefly due to the marked inequalities in salary and wage rates for positions involving like duties and responsibilities, and the discrepancy between salary and wage increases and the cost of living. But the commission reported also that the opportunities for advancement were less satisfactory in public than in private service, that adequate provision for "such important matters as working space, illumination, ventilation, rest rooms, and medical and surgical emergency relief" was lacking, that efficiency ratings were discredited both by employees and administrative officers, that "lack of assurance that efficient work will receive suitable reward injures the morale and reduces the efficiency of the entire service," that the government's failure to adopt a retirement system proved destructive of the morale of the force, and that existing restrictions on transfer tended to make the service burdensome.[2]

The Chicago study was specifically directed toward an analysis of the conditions depressing morale. The two circumstances which were cited by the employees themselves as being most important in depressing morale were political manipulation of the civil service and unsatisfactory handling of the salary and wages problem. The experts who were consulted thought that inadequate or out-of-scale salaries, political influence, lack of opportunity, and lack of recognition were the most important depressives. The report itself developed a number of additional conditions unfavorable to morale.

(*a*). *Lack of Recognition.*

This complaint was widespread, especially among the lower ranks, the members of which often resent the indifference of the public as well as of their superior officers to their achievements. They say, "Whenever we make a mistake, some one jumps on

[1] House Doc. 686, 66th Congress, 2d session.
[2] *See* Report of the Commission, pp. 18-21.

us for it, but whenever we do something well nobody pays any attention to us. We never get any recognition except when we get 'bawled out.'"

(*b*). *Irregular Discipline.*

The variations in discipline from office to office caused a not inconsiderable amount of ill-will. With some notable exceptions, the study showed that an unsatisfactory laxness in insisting upon proper standards of official conduct prevailed. This situation was in part due to the large number of temporary employees, who are able to fight discipline with their political backers. Inquiry among the experts seemed to indicate that employees do not object to proper discipline, fairly and uniformly applied, but do resent unequal standards of discipline.

(*c*). *Loss of Initiative.*

A depressive which grew out of general conditions appeared in the feeling that reward is not related to effort and ability. Some cases exist in which long service brings no chance of promotion; these are compared with other cases in which some fortunate individuals climb the ladder to responsible positions at a rate which is almost incomprehensible to their fellow employees. Union labor has solved the problem of advancement to its own satisfaction by establishing uniform wage levels for all men engaged in the same type of work irrespective of relative efficiency, and by abandoning interest in the supervisory positions. The cost of this solution in depressed incentives and unused capacities raises a fundamental question as to its desirability. In any event it is not applicable to the classified public services. In some cases, loss of initiative seemed to arise out of the monotony of work. Certainly one of the major problems of large scale organization is to ensure that the responsible officials get their policy carried out by every subordinate branch, while as much scope for initiative and as much freedom as possible is left to subordinates.[1]

(*d*). *Absence of Social Life.*

There is no inclusive club of city employees, nor is there any common meeting place for social purposes. A plan worked out a few years ago by some employees for recreational facilities was ridiculed by the press and not seriously considered by the city

[1] E. F. Wise, "The Civil Service in Its Relation to Industry and Commerce," in *The Civil Servant and His Profession*, pp. 75-94 (1920).

authorities. As a result there is little homogeneity among even the same social classes represented in the city service.

(*e*). *Salaries and Wages.*

The investigation found that the scale of salaries was not properly adjusted as between classes, and that there were many inequalities as between individuals. In many cases, the purchasing power of salaries was found to be less than in 1914. A competent official declared before the Finance Committee, "It is, of course, a fact that all logical relationship in the compensation of technical and scientific service as compared to certain other types of service, particularly the organized manual trades, has been destroyed by the tendencies of recent years." City employees complained also that the aldermen use powerful influence to secure increases of pay for their favorites; but they suspect many times that the alderman "double-crosses" them. They fear that in point of fact the only way to secure an increase of pay is to command political influence, irrespective of the justice of their claims.

(*f*). *Waivers.*

This process, which limits the opportunity for promotion, will be described in a later chapter. It is an undoubted source of bad feeling, whether the waiver is voluntary or involuntary. Men become discouraged and sometimes bitter as one opportunity after another passes by.

(*g*). *Service Ratings.*

As service (efficiency) ratings are handled in some offices they give rise to such comments as these: "Efficiency records are a joke," and "they work against the best employees." They were looked upon in some quarters as one of the most effective means to "get" unpopular men. Many conscientious bureau chiefs refused to give their subordinates real efficiency ratings because the ratings of other offices were known to be perfunctory.

(*h*). *Delay in Posting Eligible Lists.*

One of the trying experiences of the would-be public employee is waiting for the announcement of his place on the eligible list. The better candidates become impatient after waiting two or three months and find other work. The city has thus suffered from an adverse selection of its recruits and the prospective employee has endured the worst kind of an introduction to his job. Many of them thoroughly believed that the delay was

occasioned by attempt to ensure a high position for politicians or their friends.

(*i*). *Political Influence.*

Nearly all phases of employment policy may be affected by the real or supposed influence of politics. Perhaps the most lamentable result is the collapse of the confidence of the mass of employees in the fairness and honesty of the administration. It requires only a few cases in which "pull" is even generally suspected to produce this result. The influence exerted by political appointees has been baneful. They are looked upon by those who entered by merit as interlopers. They are suspected by the permanent employee as a continuing source of hidden influence. They are frequently poorly qualified for their work and uninterested in their duties. They are indifferent as to attendance and daily accomplishment. They resent discipline and tend to lower the tone of an office.

(*j*). *Other Special Conditions.*

In some instances other conditions were noted which depressed morale. A sense of isolation, either the outgrowth of physical remoteness or social indifference, prevailed here and there. Personal incompatibility was the source of a large amount of friction. Lack of confidence in superior officers was an occasional source of trouble.

The broad range of each of these reports may suffice to demonstrate that the problem of maintaining an efficient working force has to reckon with all the weaknesses of human nature, and needs to call into its service all the resources of human intelligence and character. The traditional rôle of the civil service commission, even though the primary responsibility for personnel management be left with the operating department, is no longer sufficient. All along the line there is an urgent demand for thoughtful planning and earnest effort to achieve an ideal which is daily becoming more clear, toward which every phase of employment management must contribute.

4. The Fundamentals of Morale.

If the assertion of the preceding paragraph be true, it is futile to attempt to indicate in a few lines the expedients from which high morale will develop. In fact, most of the present book is a commentary on the manner of making morale. It is important

to understand that the stimulation of morale needs to be approached both directly and indirectly. The manipulation of external conditions is perhaps as important as direct appeals. The provision of proper working conditions, the encouragement of social life, the maintenance of a retirement system are indirect but effective approaches to the end in view. Recognition by citation or by financial reward of meritorious work performed by officials or employees, appeals for cooperation, appeals to the imagination and loyalty of the employee are direct avenues to a high morale.

Among the conditions of administration to which consequence is attached is the cardinal point of brilliant leadership. The permanent bureau chiefs and assistant secretaries must have professional competence of a high order, but more than that, they must be leaders of men. "If management is to stand for this new motive, the manager of the future must be of a new fibre. Technique, disciplinary power, accuracy and reliability in work will no longer be his primary qualifications. The first requisite must be the gregarious instinct, the instinct for cooperating with other men, attracting them to him, welding them together. He must be less of a technician and more of a 'captain'; less of a 'boss' and more of a leader. Being loyal-hearted, he will inspire loyalty. Being intimate with his men he will gain friendship. By appreciating subordinates he will enlist their support. Being a captain he will form a team. He cannot be passive; there is no half-way between hostility and cooperation. He cannot hide what he is." [1]

Leaders such as these can make their way over obstacles of faulty organization, but they require of necessity a corps of men and women who are skilfully adjusted to their work. The great departments need the services of persons of moderate ability and limited ambition just as certainly as they need the best brains which the community possesses, but neither contentment nor efficiency can be expected if the various levels of ability do not find their appropriate employment. Hence the task of individual adjustment becomes one of the continuing duties of the personnel manager.

Government will also follow the lead of industry in developing

[1] Sheldon, *op. cit.*, p. 196.

programs of "welfare work."[1] But as Sheldon properly points out, this needs to be conceived on no narrow line.

> Clearly, welfare concerns the workers in their mental and moral as well as physical aspects. It is too often regarded as dealing simply with the last—the provision of good lighting and ventilation, of canteens and rest-rooms, the decoration of workrooms and the provision of medical treatment. It is very much more. It deals with fatigue of mind as well as of body, with monotony of work, and the nervous effects of working conditions. It is concerned with the atmosphere, the "tone" of the workrooms. It combats sullenness and strife as it combats monotony and disease. It aims at good fellowship as well as good health, justice as well as cleanliness, interest as well as efficiency, comradeship as well as comfort, high character as well as high spirits.[2]

A brilliant secretary of the interior, Franklin K. Lane, recognized the possibilities of a healthy social life within his department. He described his plans in a letter to Albert Shaw.

> Some time ago in order to develop greater good feeling between the heads of bureaus we organized a noon-day mess, at which all the chiefs of bureaus and most of their assistants take their luncheon. . . .
>
> But the largest work, I think, in the way of promoting the right kind of spirit within the department was the organization of the Home Club. This is a purely social institution, which the members themselves maintain. We have now some seventeen hundred members, all pay the same initiation fee and the same dues, and all meet upon a common ground in the club. . . . Each night during the week we have some form of entertainment in the club—moving pictures, or a lecture, or a dance, or a musicale.
>
> I organized this club for the purpose of showing to these people of moderate salaries what could be done by cooperation. It is managed entirely by the members of the department. There is no caste line or snobbery in the institution, and for the first time the people in the different bureaus are becoming acquainted with each other and enjoy the opportunities of club life. The idea should be extended. We should have in Washington a great service club, covering a block of land, containing fifteen or twenty thousand members, in which for a trifle per month we could get all of the advantages of the finest social and athletic club that New York contains. In the Home Club we have a billiard room, card rooms, a library, and a suite of rooms especially set aside for the ladies. We are fitting up one of the larger rooms as a gymnasium for the young men and boys, and expect to have bowling alleys, and possibly tennis courts on a near-by lot. In this way I meet many of those who work with me, whom I never would see

[1] Sheldon, *op. cit.*, pp. 177-78.
[2] *Cf.* Robert Pinot, *Les Œuvres Sociales des Industries Métallurgiques* (1924).

otherwise, and from the amount of work that the department is doing, which is increasing, I am quite satisfied that it has helped to make the department more efficient.[1]

Finally, government must recognize that the achievement of morale, and thereby the seal and testimony of a brilliant administration, is a problem of human relationships, going deep into the fundamentals of human nature. Inspiring leadership, happy individual adjustment, welfare work, recognition, all count heavily in the making of human happiness in the day's task; but greater than these is the recognition of the inarticulate desire of important groups in the administrative hierarchy for an opportunity to cooperate in making decisions, at least the decisions which most nearly concern them in determining their conditions of work. Among the leaders of organized public employees this desire is beginning to take shape, and has already found expression in such arrangements as the formal conference with department heads to negotiate settlements of grievances, in the National Welfare Council of the Post Office Department, and in similar arrangements elsewhere. These employees do not insist that their view prevail, nor do they wish to accept the responsibilities of making the decisions. They wish merely that their view on specific issues that arise from time to time be presented and taken into account. They have not yet gone far to prepare themselves for exerting an influence greater than this, and it is idle to guess what another half century may bring. But it is perhaps within the realm of the possible to expect with the perfection of the methods of recruitment and the improvement of the whole range of employment conditions, that a corporate body of skilful technicians with a well defined professional consciousness may be prepared to contribute heavily to all manner of administrative decisions with a competence and an assurance that will make them also the guide of legislative bodies as well.

Certainly in no other way does it seem possible to cultivate that delicate feeling which we call morale so potently as by seeking to develop the intellectual and moral powers of the civil service in order to associate it always with a greater fulness in the responsibilities of government. It was with this object in mind that the author recommended in the study of conditions of

[1] *Letters of Franklin K. Lane*, p. 148.

municipal employment in Chicago the foundation of an Institute of Municipal Administration. It was intended to appeal to the men and women with professional training, of ascertained competence, with sections for the various important professional groups such as the engineers, sanitarians, accountants and others.[1] Out of such a group it was hoped that there would develop the concept of the public service as a profession, indeed as the profession which most directly and most completely serves the people, standing on a plane of dignity and moral worth second to none. This concept would not fail to be a powerful protection to the integrity of the civil service, and an immense stimulus to its technical perfection.[2]

[1] Joseph A. Cohen, "City Managership as a Profession," *National Municipal Review*, vol. 13, pp. 391-411 (1924).

[2] The following chapters dealing with recruitment, classification and standardization, promotion and efficiency records, discipline and removal, retirement systems, and the organization of public employees develop the general thesis of this chapter, that efficiency is fundamentally a function of high morale, and can be fully achieved only by giving fair recognition to the rights and interests of officials and employees.

CHAPTER TWELVE

RECRUITMENT AND THE TECHNIQUE OF EXAMINATIONS

Practical governing is administration, and administration is the work of the civil service.

McIlhenny.

1. The Status of the Personnel Agency.

Civil service commissions consist usually of three persons, appointed ordinarily by the mayor or governor, and by the President with the consent of the Senate.[1] The term of office varies but is commonly three or six years, with provision for the retirement of commissioners in rotation. There are seldom any requirements of competence or experience of nominees, but frequently a rule that not more than two members shall belong to the same political party, a provision which secures bi-partisan, rather than non-partisan commissions. The commissions are endowed with quasi-legislative power to prescribe rules and regulations, and sometimes quasi-judicial powers to review decisions of administrative officials on matters of personnel.[2]

In large jurisdictions, the commissions are the center of an enormous amount of pressure. Politicians appeal to them for special privileges or exemptions for their henchmen; employees in the service appeal to them for changes in classification and for increases in salary; department heads complain to them because the quality of probationers is poor; the reformers urge upon them constantly greater efforts to eliminate the spoilsmen and new efforts to introduce some of the more refined methods of personnel management. Their task, difficult enough under any circumstances, becomes almost impossible at times.

A recent study of municipal civil service commissions suggested the following standards by which to appraise the effective-

[1] In Massachusetts and California there are one commissioner and two associate commissioners, in New Jersey four commissioners, in Maryland a superintendent of employment, in Kansas the commission is ex officio.

[2] Fred Telford, "Employment Terminology," *Public Personnel Studies*, vol. 2, pp. 152-166 (1924).

ness of their work. The first group, applicable to the conduct of commissions in the past, comprises the following propositions:

(a) Civil service commissions should be non-political in character.
(b) They should faithfully enforce merit principles.
(c) They should maintain continuity of employment policy.

The second group includes additional standards to which these commissions ought to conform in the future.

(a) Civil service commissions should be under professional guidance.
(b) They should perform adequately all the employment functions of government.
(c) They should make possible democratic administration of the employment affairs of government (i.e. employee participation).[1]

The report of the Governmental Research Conference Committee joins with a report of a committee of the National Municipal League in criticizing many municipal commissions on the basis of this standard,[2] complaining particularly that they have been manned mostly by politicians and that few of the constructive phases of personnel management have been undertaken. State commissions and the federal commission have also been the subjects of criticism during and since the war, by the friends rather than the enemies of the merit system.

The Research Conference Report offers a summary of its findings under these headings.

1. In the main, our civil service commissions have been under political domination rather than under professional guidance, the individual members of commissions usually being appointed more largely on account of political considerations than because of their understanding of employment problems.
2. Although some of our commissions have shown commendable courage and devotion in carrying out the spirit of our civil service laws, yet generally speaking we have not secured a faithful enforcement of merit principles.

[1] Governmental Research Conference, *The Character and Functioning of Municipal Civil Service Commissions in the United States*, pp. 11-12 (1922). This publication will be referred to hereafter as Research Conference Report.

[2] "Employment Management in Municipal Civil Service," *National Municipal Review*, vol. 12, pp. 442-513 (1923). This document will be referred to as the National Municipal League Report.

3. Owing to the high rate of turn-over in the membership of our civil service commissions and the subservience of our commissions to the will of the chief executive, we have not had that continuity of employment policy which is so important to effective administration of the civil service.
4. Most commissions have performed only a small portion of the functions now coming to be recognized as belonging to the personnel agency of government.
5. Our civil service commissions as now constituted represent only the management and no effort has been made to give adequate participation to the workers in determining conditions of employment.

The National Municipal League adds to this bill of particulars that under-staffing, the primary result of financial under-nourishment, explains many of the shortcomings of the civil service commissions. In addition it must be recognized that some commissions are operating in a political environment in which the idea of merit has not been fully accepted, and in which the general level of political intelligence is not high enough to enable them to operate effectively. Civil service reformers have been sometimes at fault in devoting their energy to securing a statute and then still more statutes without realizing the critical importance of building up a state of public opinion which will insist upon their proper enforcement.

The Governmental Research Conference proposed to secure proper enforcement by relieving the commission of its dependence upon the chief executive. The civil service commissioner, according to their plan, is to be chosen by competitive test conducted by a board of special examiners. This board is to consist of the local superintendent of schools, the probate judge, and a person selected by these two members who is to be a chief examiner of a civil service commission, or an experienced industrial personnel manager. Two associate commissioners are to be selected, one by the mayor, city manager, or head of the city commission from the administrative staff, and one by the employees in the classified service. The commissioner chosen by competitive test is to be chairman of the commission, and to hold office during good behavior and efficient service. He is subject to removal only upon written charges and after an opportunity to be heard in his own defense before a board constituted in the same manner as the one by which he was originally appointed. The two associate

commissioners hold office at the pleasure of the appointing authority. In the legislative and judicial functions of the commission, all members have equal authority; but in carrying out the administrative functions, the associate commissioners have advisory power only.

The National Municipal League report looks in the same direction, but allows a greater degree of influence for the municipal executive. The committee recommended a single civil service commissioner having an indefinite term of office, to be selected by competitive examination. The examining board is planned to consist of three qualified members, one appointed by the mayor, one by the local superintendent of schools, and the third to be selected by these two. The city executive is given the choice among the three names highest on the list. During the six months' probationary period the commissioner may be removed by the appointing authority at pleasure; afterwards removal may be only for cause and after written notice and public hearing.

Two features common to each of these plans call for comment. One is the assumption that the technically qualified personnel manager should be the commissioner, the other is the assumption that the civil service agency should be effectively insulated from the chief executive.

With regard to the status of the expert personnel manager, a distinction may perhaps be drawn between the small city of not over 50,000 population and the larger municipalities. In the smaller places, the organization is relatively simple and on a limited scale, and the influence of partisan politics is not likely to be as great. Under these circumstances it is unnecessary to over-organize and the same man may perform successfully both the functions of the expert and the lay director. In larger jurisdictions and where spoils politics is rife, it may be doubted whether it is wise to expose the expert to the perils of the unprotected position of commissioner. Quite aside, also, from the hazards of the position, hazards which are mitigated but hardly removed by the precautions proposed in these plans to secure continuity, the lay board has an essential function to perform in mediating between the personnel agency and the departments which can hardly be carried out as effectively by one outside the official family of the chief executive.

The provisions for assuring the autonomy of the commissioner

have an objective which can only be commended. Two questions may be raised as to the value of the means proposed. In the first place, it is doubtful if any legal provisions can protect a civil service commissioner from the ill-will of a mayor who is determined either to rid himself of the commissioner or to violate the spirit of the merit system. In the second place, it seems clear that cooperation between the commissioner and the departments, the importance of which is stressed in both reports, and correctly so, is not likely to be furthered by the elaborate provisions for making the two branches of the administration independent of each other, by a plan which carries on its face the conviction that the departments and the mayor cannot be trusted with the enforcement of the merit system.[1]

The problem is a puzzling one, because there can be no doubt that the diagnosis of these reports is in many cases superficially correct. Mayors and occasionally even governors do appoint civil service commissioners who have little desire except to find ways and means of evading their duties. In the long run, however, it is thought unlikely that much improvement will be noted from the plans proposed, although they may prove extremely useful as a temporary expedient.

It may be suggested that the most effective way to secure cooperation is to permit the mayor to select his civil service commission with the same freedom as in other departments, requiring him to appoint from among persons who have had a stated specific experience in personnel matters in order to ensure a minimum of competence, and depending upon elections to secure the kind of a mayor who will insist upon effective administration. Without the right kind of chief executive no machinery for the selection of the civil service commissioner can be really effective; and while reliance upon the results of an election to get the right kind of a mayor will certainly lead to many disappointments, it may be that this is an essential part of the education of a democracy in the art of self-government.[2]

[1] It may not be unfair to quote the National Municipal League Report (p. 447): "Like so many other of our institutions and policies of state, the civil service commission owes its origin to the abiding faith of our countrymen in the saving power of checks and balances."

[2] *See National Municipal Review*, vol. 12, pp. 472-513, for arguments pro and con, and for the English solution of the problem read Sir Stanley Leathes, "The Qualifications, Recruitment and Training of Public Servants," *Journal of Public Administration*, vol. 1, pp. 343-360 (1923).

Other aspects of these reports call for brief mention. The plan for a commissioner with two associates is thought to be a promising suggestion. Massachusetts now has such an organization, although all the members are appointed by the governor and council. Although an experiment in government circles it is thought that much good would result from placing a representative of the employees on the commission as an associate member. The suggestion is in line with prevailing conceptions in progressive industries, is desired by the employees,[1] and would undoubtedly have a beneficial influence in giving a free channel for the expression of the ideas of the rank and file, and in convincing them that the commission was "on the square." The recommendation of the committees for more adequate financial support for the civil service commission is timely. Their desire to concentrate at least the executive duties of personnel management in the hands of one person is commendable. Their interest in "an enlightened employment policy" is sure to bear fruit ultimately as conditions shape themselves favorably from time to time in one city or another.

A wholly different problem concerning the status of the civil service commission arises by comparison of the Massachusetts organization with that which prevails elsewhere. In Massachusetts the civil service commission is solely and simply a recruiting agency.[2] Its task is to maintain eligible lists to satisfy the requisitions for personal service made by the various departments. It is not an agency of control. It neither inquires into the way in which departments handle their personnel problems nor undertakes to supervise their methods. The task of *control* of personnel management has been assumed by the commission on administration and finance. This commission administers the classification, passes on requests for increases of pay, and authorizes or refuses permission to the departments to create new positions and to fill vacancies.

The same specialization of function is appearing in the federal administration. The Civil Service Commission has always been

[1] *See* Report of U. S. Joint Commission on Reclassification, p. 130.

[2] Attention should be called to the fact that the Civil Service Commission is never the only examining agency. In the federal government mention may be made of the Foreign Service Personnel Board in the State Department, and the Board of Medical Officers which controls admission to the Public Health Service; in the State governments note the teacher examining boards and the numerous boards examining for the professions.

primarily a service agency, furnishing employees upon request, but has never developed an aggressive policy of supervision or control. The present classification, which involves elements of control, is being installed by the Personnel Classification Board, comprising one representative each of the Bureau of Efficiency, the Bureau of the Budget and the Civil Service Commission. The permanent administration of the classification will probably be vested in the Civil Service Commission or the Bureau of the Budget. Whichever choice is made will aid materially in determining where the control function will settle in the federal system.

In Great Britain the same system has long prevailed. The British Treasury is the agency of supervision and control, even to the extent of dominating many of the policies of the Civil Service Commission. The latter is merely an agency for sifting out the best applicants for certification to the departments, and never questions the advisability of filling a position nor doubts the propriety of the classification and salary assigned the incumbent.[1]

The issue has never attracted much attention in this country because the control function has been dormant. Post-war developments, however, are likely to make it a problem of first magnitude. Mayers writes in this connection,

> Analysis of the problem . . . shows that the functions pertaining to a central administrative agency fall into two distinct categories: those having for their purpose to assist the several operating services in meeting their personal (*sic*) needs and those having for their purpose to supervise and control such services in the practical work of handling their personnel. . . . It is elementary that two distinct functions, particularly when the ends in view are of a diverse character, should never be combined in the same organization unless a positive case for so doing can be made out. . . . The divorce of the recruiting function from the regulatory function would thus make it far easier for the central recruiting agency to develop a truly cooperative attitude toward itself on the part of the departments.[2]

Mayers also points out in this connection that the recruiting work absorbs most of the available resources of the commission and thus militates against the fullest development of the regulatory functions.

[1] Robert Moses, *Civil Service of Great Britain*, Appendix A (1914).
[2] Mayers, *Federal Service*, pp. 538-39 (1923).

Until further evidence has been gathered, it is difficult to form a judgment on the question. It is clear, however, that civil service commissions in the United States have seldom displayed the aggressiveness and tenacity which are essential for the proper performance of the regulatory function. On the other hand we are still in the experimental stage concerning how much regulation it is desirable to impose upon the departments. In this connection the experience of Massachusetts will prove to be full of significance.

The National Municipal League report takes a clear cut stand for a single personnel agency. It objects to a dual system on the grounds that such a distribution is not in keeping with the civil service laws, nor with the principles of good organization, nor with the accepted practice in certain civil service jurisdictions. The relevance of these arguments, excepting the second, is not altogether clear; with regard to it, the committee argues that all phases of personnel management are so interwoven that they form essentially one function.[1]

2. The General Conditions of Recruitment.

"The modern city with its manifold obligations, called upon to aid and protect its citizens in practically all vital relations, must now compete with the best employers for the best workers." To a degree not always appreciated the government is dependent upon the condition of the labor market and is compelled to bring its employment conditions into approximate harmony with those of industry. This was manifest during and after the war, when many government offices were nearly denuded of their capable employees, because they could not adjust their salary scales rapidly enough.[2]

Civil service commissions are often reproached because they supply inferior probationers to the departments. Bureau chiefs are convinced that the examinations conducted by the commission must be nearly useless if they result in the product which the bureau receives. As a matter of fact the trouble may lie wholly with conditions of employment which attract only a thin crowd of candidates of very inferior mental equipment. No examina-

[1] *See* Report, *op. cit.*, p. 459-461.

[2] Mary Conyngton, "The Government's Wage Policy during the last Quarter Century," *Monthly Labor Review*, vol. 10, pp. 1325-41 (1920), and "Separations from the Government Service," vol. 11, pp. 1131-1144 (1920).

tion system, and no other method of appointment, can discover brains and experience where they are non-existent.

This observation does not relieve a commission, however, from its obligation to seek persistently and widely for the very best material it can induce to take the examinations. This duty involves a continuing publicity campaign, the promise of which has never been fully explored, either through lack of funds or lack of insight. Announcements of civil service examinations are frequently dull, inconspicuous, and even repelling. There is no reason why the use of posters, motion pictures, and attractive articles in trade journals should not be relied upon to reach a much wider clientele than is now the case.[1]

This suggestion leads to a brief consideration of why men and women seek to enter the public service. If their motivation could be accurately understood, it would then be possible to devise an effective appeal to candidates, and, of greater importance, to organize the whole personnel system on the basis of these human needs. The contrast between the dominant incentives in government offices and in industry has often been pointed out. In industry ceaseless competition with the hope of brilliant success tends to bring out the full capacities inherent in the individual; but these incentives have little equivalent in public life. "Public recognition, pride in work well done, and the satisfaction that may come from public service itself are motives that are capitalized all too rarely in governmental employment." [2]

Much remains to be done in exploring the motivation of men and women who desire government employment. A beginning was made in a recent study of employment conditions in Chicago. Five hundred men and women, either applicants for employment or employees, were asked in a personal interview why they sought employment by the city. The answers were tabulated in the following tables.[3]

This table indicates that a considerable variety of reasons is given to explain interest in a city job. Those who desire security and steady work, coupled with those who by reason of unemployment seek these advantages, count for two-fifths of the total;

[1] The New York and United States Civil Service Commissions are now using the radio to advertise their examinations. See *Annual Report New York Municipal Civil Service Commission*, vol. 41, pp. 3-4 (1924).

[2] National Municipal League Report, p. 456.

[3] See the author's monograph, *Conditions of Municipal Employment in Chicago*, pp. 28-33 (1925).

TABLE

REASONS GIVEN BY 308 APPLICANTS FOR CITY EMPLOYMENT FOR DESIRING A CITY JOB.

REASONS	NUMBER OF CASES	PER CENT
Total	308	100.00
Security	48	15.58
Steady work	47	15.26
Unemployment	34	11.04
Good salary	29	9.42
Good working conditions	26	8.44
Temporary	16	5.20
Friends or relatives in the service	15	4.87
Pleasant work	12	3.90
Drift	12	3.90
Easy work	10	3.25
Pension	4	1.30
Work for government	10	3.25
All others	45	14.59

good salary and good working conditions account for nearly one-fifth more. The proportion of drifters is small, and so is the proportion who were primarily actuated by friends or relatives in the service.

Other reasons given by these applicants include short hours (3 cases), valuable training (8), rapid promotion (3), political advantage (6), social prestige (1), desire to have a position in reserve (7), experience of taking the examination (5), opportunity for a career (1).

The outstanding indication is that men and women seek to enter city employment primarily on account of steady work, security, good salary and good working conditions. Rightly or wrongly, they believe a city job holds forth these opportunities. These are the leading objectives which they hope to achieve.

TABLE

REASONS GIVEN BY 192 EMPLOYEES FOR CHOOSING A CITY JOB.

REASONS	NUMBER OF CASES	PER CENT
Total	192	100.00
Security	37	19.27
Steady work	22	11.46
Pleasant work	17	8.86
Good salary	13	6.77
Good working conditions	11	5.73
Unemployment	11	5.73
Easy work	10	5.21
Political advantage	9	4.69
Temporary employment	9	4.69
All others	53	27.59

This table indicates that the motives which hold men and women in the city service are largely bound up with security, steady work, pleasant work, good salary and good working conditions. The pension is a substantial auxiliary reason, and in some cases known to the writer is the dominant reason. Other reasons given by these employees include valuable training (7 cases), pensions (4), rapid promotion (3), work for the government (3), social prestige (1), reward for political service (5), offers a career (1).

With regard to these tables it may be observed that they are illustrative merely and should be used with caution in drawing conclusions. Errors in interpretation may readily have crept in, and the total number of cases is not large. Extracts from some of the individual replies will make the facts more concrete and personal.

Mr. D, a young Italian working as a shipping clerk, took the examination for social service investigator. He was influenced by a desire for easy and steady work, with good pay. He failed to pass the examination, and remarked to the investigator, "A hundred and fifty womens tooken it at the same time. Mens ain't got no chanct when womens want work."

Miss F, a young stenographer 20 years of age, regards security and association with the "better class" as the chief advantages of the civil service. She believes that opportunities for advancement are more numerous in public than in private employment. She has a cousin and a number of friends in the service.

Mr. G is a Lithuanian employed on temporary appointment in the corporation counsel's office. He was reported by the investigator as a "keen fellow," a leader of Lithuanians' organization in the last election, but not an ordinary politician. He has studied accounting and civics in the Young Men's Christian Association School and is especially interested in municipal government. He knows from personal experience the waste and inefficiency of politics. He feels that he could make more money in business, but the security of the civil service and the pension appeal to him.

Mr. H, aged 22, is employed at night as telegraph operator. The work is bad for his health and he thinks employment in the city service with its short hours, vacation and general good working conditions would be very desirable. The salary would be better than he is new securing. His father is employed in the police department and both parents urge him to enter city employment.

Mr. O, a clerk in the election commissioners' office, is a precinct captain. He has been in politics for six years and desires to stay in politics in order to wield power. He does not care about the job or

the work so long as he is "on the inside" in the office. He says that he works very little in the office but is paid for getting out the vote in his precinct.

Mr. P, a license inspector, 62 years of age, with a common school education, had been at work as a doorman in a shoe store. He emphasized the fact that at his age a man has lost most of his ambition to advance and wants a position where he will not be laid off because he is getting old, where, as he puts it, he can be "at peace."

Mr. S was unemployed when he took an examination for junior clerk. As he said, he thought he would "take a whirl at it." He exemplifies the drifter.

The final case illustrates on the contrary the type which plans far into the future. Mr. T and his brother decided in their early youth to enter public service, work through the pension requirement and then retire in order to go into business. In order to decide which would enter the federal and which the municipal service, they flipped a coin. The fates having contributed this decision, they respectively took the paths marked out for them, and will both retire in the near future.

These brief glimpses into the motivation of potential municipal employees reveal a variety and scope of purpose and interest which contribute greatly to the difficulties of establishing conditions which will lead to a high standard of morale.

3. The Technique of Examination.

Students of public administration lack any comprehensive account of the development of examination methods in the United States. This is the more remarkable since in the federal service there has now been nearly a half century of continuous experience, culminating in the important experimental program of the research division of the United States Civil Service Commission. The remarkable developments of recent years, both within and without the public service, in the scientific testing of mental traits and aptitudes makes this subject of outstanding importance.[1]

[1] For the literature of tests in the public service, consult Grace E. Manson, "Bibliography on Psychological Tests and other Objective Measures in Industrial Personnel," *Journal of Personnel Research*, vol. 4, pp. 301-328 (1925); *Public Personnel Studies, passim; Annual Report*, U. S. Civil Service Commission, vol. 40, 41, 42, Report of Research Section; C. S. Yoakum and R. M. Yerkes, *Army Mental Tests* (1920); H. A. Filer and L. J. O'Rourke, "Progress in Civil Service Tests," *Journal of Personnel Research*, vol. 1, pp. 484-520 (1923); H. F. Gosnell, "Some Practical Applications of Psychology in Government," *American Journal of Sociology*, vol. 28, pp. 735-743 (1923); L. M. Terman, "Trial of Mental and Pedagogical Tests in a Civil Service Examination for Policemen and Firemen,"

From the very beginning of the merit system, skeptics have insisted that examinations proved nothing about a man's fitness to hold office. Especially was the argument pressed home that it was impossible to test the qualities of initiative, tact, ability to cooperate, facility in dealing with the public, inventive capacity, which are essential for men holding the more responsible positions. For the most part these claims were made with the intention of discrediting the merit system, but many friends of reform were sincerely, and rightly, concerned about the value of the examinations as a criterion for official position. American examinations have been "practical," according to law; that is, they have been designed to discover the preparedness of John Doe to enter (say) the city clerk's office tomorrow as a proof-reader. But it was not always easy to demonstrate to the unbeliever that questions about the geography of China, or the exploits of Henry II, or the qualities of the prose of Washington Irving had anything to do with the case; and very likely they did not.

There has been, however, a constant effort, the intensity of which has increased rapidly of late, to improve the selective quality of tests.[2] These efforts have resulted in the evolution of a large variety of tests, each adapted to some particular problem, and in far greater assurance that the tests really possess a selec-

Journal of Applied Psychology, vol. 1, p. 17; F. E. Doty, "Psychological Tests in Civil Service Examinations," *Proceedings* of the National Assembly of Civil Service Commissions, vol. 11, pp. 41-46 (1918); L. L. Thurstone, "The Intelligence of Policemen," *Journal of Personnel Research*, vol. 1, p. 64, and "Psychology in the Civil Service," *Annals*, vol. 110, pp. 194-99 (1923); E. M. Martin, "An Experiment in New Methods of Selecting Policemen," *National Municipal Review*, vol. 12, pp. 671-681 (1923), and "An Aptitude Test for Policemen," *Journal of Criminal Law and Criminology*, vol. 14, pp. 376-404; J. B. Probst, "Oral Test in Civil Service Examination," *Proceedings* of the National Assembly of Civil Service Commissions, vol. 11, pp. 55-57 (1918); C. L. King, "Appointment and Selection of Government Experts," *National Municipal Review*, vol. 3, pp. 304-326 (1914); W. C. Rucker, "United States Public Health Service as a Career," U. S. Public Health Service, *Miscellaneous Pub.* No. 13; E. K. Wickman, "Intelligence Survey of the Cleveland Police Department," *Criminal Justice in Cleveland*, Appendix V; A. S. Faught, "Employment Tests in the Public Service," *Annals*, vol. 113, pp. 311-321 (1924); and in general the annual reports of civil service commissions. Morris S. Viteles, "Research in the Selection of Motormen," *Journal of Personnel Research*, vol. 4, pp. 100-115 (1925); Walter D. Scott, "Selection of Employees by Means of Quantitative Determinations," *Annals*, vol. 65, pp. 182-193 (1916).

[2] Allen M. Ruggles, *A Diagnostic Test of Aptitude for Clerical Office Work*, Teachers College, Columbia University (1924); Lewis L. Thurstone, "A Comparative Study of Clerical Tests," *Public Personnel Studies*, vol. 1, Nos. 2-6, inclusive (1923-24); Fred Telford and F. A. Moss, "Suggested Tests for Supervising Clerk," *ibid.*, vol. 2, pp. 288-296 (1924); "Partially Standardized Tests for Junior Clerk," *ibid.*, vol. 3, pp. 346-372 (1925).

tive power related to the qualities or capacities desired. A brief summary of the important types of examination now in use follows.

Tests may be classified as written or oral, assembled or non-assembled, general or specific. They may ask for free answer or short answer responses. The typical test used in the United States is the written, assembled, specific test, calling for a free answer, except that in the federal system, it is impossible on account of the distances to assemble the candidates. There seems to be a tendency toward the use of non-assembled, oral, and short answer tests, which have been carefully standardized, and toward the use of psychological tests to determine the general intelligence and special aptitudes of candidates.[1]

(*a*). *The written test.* The written examination is of primary importance in testing the acquired knowledge of an applicant, and as a rough test of general intelligence. It seeks to eliminate those who lack the minimum requirements, and to arrange the others in order of knowledge and capacity. The test is of the same order as academic examinations and has been very commonly used, often without discrimination. It calls for a free answer, the rating of which is not easy. It is most frequently used now in examinations for which no special technical knowledge is required (as general clerical positions). It is giving way to other forms of tests as they prove more adapted to the end in view. It is difficult to standardize.

(*b*). *The short answer written test.* A recent development is the framing of specific questions which can only be answered correctly in one way, as by the addition of a single word, or by checking in a certain place. The examination consists of a large number of such questions, which are usually given in groups with a time limit for each group. There are a number of variations of the short answer examination.[2] Their advantages are obvious; they are objective, give little leeway for the judgment of the examiner, may be disposed of rapidly, and may be corrected,

[1] Finer suggests that "The United States' contribution to the science of preparation for the public service will probably be recognized by history as the attempt to create psychological tests for certain branches of work, of greater economy and accuracy than the tests we now use." "The Civil Service in the Modern State," *Am. Pol. Sci. Rev.*, vol. 19, pp. 277-289 (1925).

[2] *See* for a good illustration, "Partially Standardized Tests for Junior Clerk," *Public Personnel Studies*, vol. 3, pp. 346-372 (1925).

with stencils, by persons without technical training. They apparently possess a high selective value.[1]

(*c*). *The oral test.* The interview is widely used as a supplementary test. It is usually given only to those who have been sifted from the original group of applicants by a preliminary examination of some sort. Its purpose is to form an estimate of the personal qualities of the applicants, to observe how they handle themselves, to secure an immediate reaction to some hypothetical situation. It has both decided merits and disadvantages. For some positions these personal qualities are essential, do not appear from written examinations, and may not appear from credentials. On the other hand, it is extremely difficult to standardize the interview, the personal bias of the examiners may enter into the evaluation, the identity of the candidate of course becomes known, and there is full opportunity to allow for the play of political influence. The oral interview is now being used in the selection of first, second, and third class postmasters.[2]

(*d*). *The trade test.* The trade test is in wide use in public employment to determine the relative efficiency of skilled labor, such as electricians, carpenters, plumbers, and mechanics. During the war the army developed trade tests to differentiate between the apprentice, the journeyman, and the expert artisan.[3] These tests consist of a series of questions relating to the trade concerned, and requiring a knowledge of terms, processes and methods. They are now well standardized and of recognized merit.

(*e*). *The performance test.* The performance test may be a form of the trade test. Thus carpenters may be given material and instructions, and the quality and quantity of work and time consumed be compared to determine which can do the best work. Perhaps the most common use of this test is in the examination of persons as stenographers or typists. This kind of examination is very useful but is beset with difficulties if applied on a large scale. It is best given as an assembled examination, which tends

[1] *Cf. Public Personnel Studies*, "Suggested Tests for Prison Guard," vol. 2, pp. 61-83 (1924); "The So-called Guessing Element in Written Tests," vol. 3, pp. 275-282 (1925).

[2] For a brief description of a "standardized" oral interview, see A. S. Faught, "Employment Tests in the Public Service," *Annals*, vol. 113, p. 311, at 320 (1924).

[3] Federal Board for Vocational Guidance, *Bulletin* 49.

to limit competition; moreover, the cost of material and the time involved are serious objections.

For appointments in the post office department as well as in other departments, considerable reliance has recently been placed on the experience test, which may be thought of as a form of the performance test. This may be merely a requirement of a definite number of years' experience in a given trade or occupation, or it may take the form of an investigation of general or business experience. Such an investigation may consist in the assemblage of written testimonials from a variety of sources, or it may involve the dispatch of an investigator to make immediate inquiries from the associates of candidates for appointment.

The United States commission speaks in high terms of the value of such inquiries; and the method comes close to that which would be used by business firms and which has been recently adopted by the British service in some cases. Assuming that the influence of partisanship has been eliminated, the chief problem presented by this procedure is to standardize or measure the testimonials received. There is some indication that it has not been wholly possible to eliminate party considerations from the inquiries conducted in the United States preparatory to the appointment of first, second, and third class postmasters.

(*f*). *The psychological test.* The most recent development in the technique of testing has come by way of the psychological laboratory. Much progress in the rating of intelligence had been made in the early years of the twentieth century in dealing with school children and in handling cases of subnormal children. Before the war experiments were under way to devise tests which would possess a selective value among adults for certain trades or occupations. In 1916 a trial of Stanford-Binet tests was made as a preliminary elimination of candidates for the police and fire services of San Jose, California.

In Los Angeles County one hundred and fourteen candidates for deputy sheriff were given an intelligence test, of whom forty-three failed. Only one of these obtained a rating as high as 70 in the written examination. An attempt to rate the intellectual capacity of Detroit policemen gave the unexpected result that the intelligence quotient decreased as the higher ranks of the force were reached. Some preliminary steps were taken before the war by the federal commission in the direction of the use of

psychological tests, but they were interrupted by the outbreak of hostilities.

The most extensive use of the psychological test was made by the United States army. A general intelligence examination was given to 1,726,966 men. The tests were not intended to replace but to supplement other methods of selection. Although they are described as having value "not so much because they make a better classification than would come about in course of time by natural selection, but chiefly because they greatly abbreviate this process," [1] they have undoubtedly greatly stimulated interest in the possibility of discovering by psychological methods the best qualified candidates for civil positions. These tests are now used by the United States Civil Service Commission, the Massachusetts state commission for its general clerical and stenographic examinations, and by other commissions.

The psychological test does not seek, contrary to usual American practice, to discover whether a candidate possesses the knowledge required for immediate entrance upon the duties of office. It seeks rather to inquire whether the candidate possesses qualities of mental alertness or aptitudes which fit him for the type of work in question. This change in emphasis may ultimately be influential in changing the whole character of American examinations to make them conform more closely to the British ideal of general capacity, deemed the essential basis of a career in the public service.

The psychological test is looked upon by the psychologists themselves as supplementary to other tests. A competent and experienced psychologist writes, "Intelligence tests serve as a useful supplement to other employment methods, and for any position in which mental alertness is a desirable or a required trait, the intelligence tests serve as a useful function of eliminating the less gifted. The best way to use the intelligence test is to eliminate definitely all applicants who make scores below a certain minimum and to select applicants from among those who make acceptable scores in the intelligence test and who show other evidence favorable to their appointment." [2] The same author goes on to suggest, "It sometimes happens that positions

[1] Yoakum and Yerkes, *Army Mental Tests* (1920).

[2] Lewis L. Thurstone, "Intelligence Tests in the Civil Service," *Public Personnel Studies*, vol. 1, pp. 1-24 (1922-23). Arthur W. Kornhauser and Forrest A. Kingsbury, *Psychological Tests in Business* (1924).

are filled by people of low mentality on account of the routine character of the work. In such cases bright people should not be eligible for appointment and only those who make rather low scores in the intelligence test should be accepted."

Research in the analysis of human traits, which is the common pursuit of the vocational guidance group, the employment managers, and the psychologists, will undoubtedly refine the methods of psychological analysis so that a constantly increasing predictive power will be attained.[1] It is probable that the psychological test is destined to constitute one of the accepted means of determining relative capacity for public positions. The United States Civil Service Commission in its report for 1922 pointed out that while serious consideration was being given the use of these tests, they were useless in determining excellence in penmanship, ability to express oneself clearly and to perform mathematical computations.

Appointments are not made on the basis of the examination alone. With this rating are combined, in various proportions, ratings of education and experience. For many positions, especially police and firemen, the physical examination is extremely important, and for all positions a certificate is required stating that the applicant is free from contagious or infectious disease. A difficult problem arises in rating the educational preparation of candidates. The rules are liberal in allowing other than formal education, and require usually "high school education or its equivalent." What is the equivalent of a high school or college education? An attempt is now being made by the research division of the federal commission to standardize equivalents. The same difficulty arises with regard to experience. How far is experience in a related occupation equivalent to experience in the given occupation, and how shall such equivalences be computed and applied? There is no simple answer to these questions.

The chief criterion by which these different types of examination are to be judged is their selective value. Do they succeed in sifting out from an unselected group men and women who satisfy the heads of the operating services? Do they rank applicants on the eligible list in fair approximation to the rankings earned by them as employees in later years? Other criteria are the ease

[1] Marion A. Bills, "Predicting Managerial Success: A Case Study of Two Business Men," *Journal of Personnel Research*, vol. 4, pp. 46-51 (1925).

with which examinations can be given and the rapidity with which they can be corrected. Still another consideration is the degree to which they are proof against successful guesswork on the part of applicants, and against fraud. But above all the test must differentiate between men who can make good on the job and men who cannot.

This necessity has led to the development of what is known as the standardized test. By this term is meant a test the selective value of which has been determined by actual experiment, and which has been worked over by successive trials until it is known to separate the most competent from the competent and these from the incompetent. The key to this method is the comparison of ranking earned as a result of the examination with an independent ranking whose trustworthiness is assumed. The danger point in the process is in the assumption involved as to the independent ranking. The steps involved in the process include,

(1). Analysis of duties.
(2). Determination of necessary traits or qualities.
(3). Construction of a preliminary test for these traits or qualities.
(4). Application of the test to persons whose competence is known.
(5). Analysis of results to determine correlation between test ranking and known ranking.
(6). Revision of test to eliminate those questions whose correlation is low.
(7). Application of revised test to other persons whose competence is known.
(8). Final revision.
(9). Use of test with an unselected group.
(10). Comparison of test ratings with ratings earned in service.
(11). Further revision of test.

The selective quality of the test becomes reasonably well determined by this process, but a test can only be used once, since its parts are known as soon as it is given. When a comprehensive test has once been built up, however, new questions of the same character and difficulty can be substituted.[1]

Important work in developing the technique of tests is being

[1] For illustrations of standardized tests, see *Public Personnel Studies*, vol. 3, *passim*.

carried on by the Bureau of Public Personnel Administration and by the research division of the United States Civil Service Commission, established July 1, 1922. In 1924 the research division was engaged upon the standardization of items in tests involving spelling, grammar and arithmetic problems, the perfection of short answer questions in scientific and engineering subjects, tests of adaptability for police and detective work, and tests in stenography and typing.[1] The Bureau of Public Personnel Administration has worked out several standardized tests and has prepared other tests embodying its judgment as to the best prevailing practice.

It is of interest to inquire what results are achieved by this vast process of examination. The following table, derived from official reports, throws light on this phase of the subject.

TABLE

JURISDICTION	NUMBER EXAMINED	NUMBER PASSED	NUMBER APPOINTED
United States (1925)	201,415	122,495	50,164
New York State (1923)	1,735	1,484	480
Massachusetts (1924) (State and local)	11,329	5,721	3,038
New Jersey (1922) (State and local)	9,201	7,562	4,539
Minneapolis (1923)	2,080	1,353	960

The task of examination imposed upon the federal commission is undoubtedly the largest carried by any examining agency in the world. During the war it examined over a half million persons in one year, and regularly tests the qualifications of a quarter of a million annually. To do this requires an elaborate machinery, comprising the central office at Washington, thirteen district secretaries with an office force, and over 4,800 *ex officio* local boards in the larger cities and towns, with a total membership of over 10,000 officials who conduct examinations locally. The central office at Washington included in 1924 three hundred and fifteen employees with a salary roll of $521,710, while the field service totalled one hundred and eighty-five with a salary roll of $314,498.

4. The New Employee and His Job.

As soon as the examination papers have been graded, the eligible list is posted by the civil service commission. Requests

[1] Report of Director of Research, *Annual Report*, Civil Service Commission, vol. 41, pp. xiv ff. (1924).

for certification are made by the departments, to the appointing officer of which the three names highest on the list are certified. In Chicago, and in Illinois, only the highest name is certified for original appointment, but three for promotions. In the United States, appointments are required to be apportioned by states according to the population of each, a rule which has dubious value as a means of securing the most efficient service.[1]

An appointment may be waived by an eligible, and many waivers do in fact occur. This is due to many causes, one of which is the long interval which elapses between the date of examination, the posting of the list, and the certification of the candidate for appointment. The public service suffers severely from this depletion of the lists, because it is the most competent and active men and women who find employment elsewhere while waiting to be called to government service. In a moment of desperation, a Chicago applicant for a city position said, "I'll be dead a thousand years before I hear from my examination. What's the use?"

Appointments are made universally for a probationary period, usually of six months or a year. During this period the probationer may be discharged at will. The theory of probation is that the best test of a man's capacity is his behavior on the job, and that there should be opportunity, therefore, to correct the errors of the original examination by summary rejection. Unfortunately the probationary period has seldom been effectively used to weed out incompetents.[2] Neither has it been used effectively for any other purpose, although it might readily be capitalized to the undoubted improvement of the public service.

European students of administration distinguish between the *"préparation"* and the *"formation"* of the civil servant, using the former term to indicate preliminary education, general in character, and the latter term to cover professional training, usually received during the probationary period. Teacher training has long been an essential preparation for the profession of education, police and fire schools are common enough, but in other

[1] For figures showing the apportionment since 1883, see *Annual Report*, United States Civil Service Commission.

[2] The Joint Commission on Reclassification asserted that ninety-nine per cent of federal probationers passed into the permanent service with no attention from the department.

branches of public administration training is woefully lacking.[1]

The larger universities give adequate preliminary training for most positions in the public service. A student can follow here courses in law, engineering, economics, accounting, business administration, political science and public administration which give the necessary foundation for the most responsible positions. The New York Bureau of Municipal Research, now the National Institute of Public Administration, maintains a training school for aspirants for administrative positions, in which courses are offered in engineering, administration, finance and budget making, public safety, employment administration, public health, pension systems, city planning, municipal accounting and other phases of public service. The bureau has graduated some well known leaders in the field of municipal administration.

Procter notes the special interests of some universities in preparation for public service. Harvard Medical School gives formal instruction for public health administration, Columbia, Pratt Institute, and Massachusetts Institute of Technology prepare especially for engineering positions, and the University of Virginia for the consular service.[2]

The United States Joint Commission on Reclassification surveyed the federal government to learn what departments provided training for their employees. They reported an apprentice system in the Bureau of Engraving and Printing, the period of training lasting four years; a school for apprentices in the navy yard; a training course in the income tax unit of the Bureau of Internal Revenue at which attendance is voluntary with instruction in law and accounting; courses of instruction in the Interstate Commerce Commission for examiners, tariff clerks, and typists and stenographers; and graduate courses of instruction in physics, mathematics and chemistry in the Bureau of Standards.[3] The commission recommended that younger employees be rotated from one part of the organization to another. The present condition (in 1920) was summed up in this statement, "Each em-

[1] Military and naval education is of course adequately provided at West Point and Annapolis.

[2] Proctor, *op. cit.* ch. 7; *cf.* E. A. Fitzpatrick, ed., *Experts in City Government* (1919), ch. 15-21; "Training for Municipal Service," *Municipal Research*, no. 68 (1915); J. F. Steiner, "Professional Training for Public Welfare," *Annals*, vol. 105, pp. 165-171 (1923); James H. Tufts, *Education and Training for Social Work* (1923).

[3] Report, pp. 116-119.

ployee gradually gets a working knowledge of all the work, at great cost to the government, for probably less than ten percent of the offices and bureaus make any effort to train new employees for their work or old employees for greater efficiency."

In the public service there is urgent need for the elements, at least, of vocational guidance. It is not far from the truth to say that most applicants for government positions have no well defined ideas of the kind of work they want, are fitted for, or will get, and the examinations they take are seldom a clue as to their real capacities or disabilities for the job they finally receive. Their appointment to one department or another, to one sort of employment or another within the general description of their title is largely a matter of chance, and their opportunity for transfer is limited. It is no wonder that the public service is crowded with men and women who are indifferent to their work. A well trained university woman exclaimed after becoming familiar with a great municipal service, "No one seems to be interested in his work!"—and one of her employees was fond of remarking, "The best thing about this job is the door out at five o'clock in the afternoon." Says Sheldon, "The consequences, deleterious to the interests of both employers and workers, of putting square pegs into round holes have never been fully realized. An ill-fitting screw receives the immediate attention of the mechanic, but an ill-placed man is left to work his own way. We trust too much to the adaptability of men. Men are not adaptable as regards their fundamental characteristics."[1] The burden which the public service has to carry on account of the indifference of discontented employees whose talents are not adjusted to their work is enormous, and much of it could be eliminated by careful attention to and guidance of the stream of applicants. The public service offers an outstanding opportunity for an evaluation of the damage wrought by individual maladjustment, of which practically nothing is known at the present time.

[1] Oliver Sheldon, *The Philosophy of Management*, p. 164 (1923).

CHAPTER THIRTEEN

CLASSIFICATION AND SALARY STANDARDIZATION

The standardization of public employments is the positive phase of the reform movement which originated as a reaction against the waste and inefficiency of the spoils system.

Municipal Research.

The subject of classification and the proper determination of salaries is one of the most technical and difficult in the whole length and breadth of public personnel management. On the face of it simple and obvious, the more one deals with the problem and attempts to harmonize the conflict of interests which are scarcely below the surface, the more uncertain one feels about the correct answer to many perplexing questions. After fifteen years' experience in attempting to establish a situation which will tend to fairness to employees, justice to one class as against other classes, protection for the taxpayer, and in addition provide an incentive for the workers, the student of public personnel administration feels that only the gross outlines of the solutions have been sketched. No other single phase of personnel management counts for so much in its effect upon the proper conduct of other phases, for almost every operation is profoundly affected by the character of the classification.

At the outset some clarification may be attained by observing that the cardinal vice for which classification is proposed as a remedy is disregard of the maxim, "equal pay for equal work." To secure the advantages of equal treatment for equal service, it becomes obviously essential (1) to know as nearly as may be what every employee is doing, (2) to group employees having the same duties and responsibilities into one class, and finally (3) to offer the same pay for all members of the class, allowance being made for differences in efficiency and to a certain degree for differences in length of service. We may then start with this basic idea, although, as will be seen later, there are many corol-

lary purposes which serve to complicate the whole matter in its day by day administration.

At the outset also it is important to state the various interests involved. The dominant interest is clearly the public interest, which seeks (1) efficient personal service, (2) good employment conditions, (3) economy in public expenditures. The various aspects of the public interest vary in importance from time to time and from place to place. The second interest involved is that of the employees, who seek fair pay and equitable treatment in such matters as advancement, promotion, transfer, and recognition. The third interest is that of the management, i.e. the city, state, or federal administration which carries the responsibility, (1) of getting certain things done, (2) of securing the most efficient service, and (3) of sustaining the morale of the staff, handing it on unimpaired to the succeeding administration. Candid recognition of the facts compels one to add the interest of politicians who seek to build their political power by favors to employees in the way of salary advances or promotions. These various interests are obviously not always in agreement, and it must be said that it is extremely difficult to find a formula which can satisfy the legitimate demands of the public, the employees, and the management.

1. The Growth and Nature of the Modern Classification Plan.

A half-century's progress in the classification of positions in the public service is admirably illustrated by contrasting the congressional classes of 1853 with the Philadelphia classification of 1920. Congress at that time required all clerks for whose position no specific salary was fixed by statute to be classified in four classes according to their compensation, at $1,800, $1,600, $1,400, and $1,200 respectively. No attempt was made to specify the duties of each of these classes, and class one clerk became merely a convenient way of saying a clerk at $1,800. The classification had little, if any, importance.

The elaborate care now taken to define positions appears in the following example from the Philadelphia classification. This is one of about six hundred class specifications, and takes no account of the schematic and alphabetical arrangement of class titles and compensation schedules separately presented.

Assistant Superintendent of Nurses, Philadelphia General Hospital

Duties:

To assist the director of nurses in the administrative and nursing work involved in the care and treatment of patients and in the supervision and administration of the nursing service at the Philadelphia General Hospital as required.

Examples:

Assigning members of the nursing staff to departments, wards, and clinics; assigning student nurses in such a manner that they will receive proper training and experience in various phases of nursing; inspecting and supervising the work involved in the care and treatment of patients and advising nurses as to approved methods; supervising the entire nursing service at night; taking charge of the nursing service at the Philadelphia General Hospital during the absence of the director of nurses; performing office work; teaching student nurses.

Minimum Qualifications for Entrance:

Education equivalent to that represented by graduation from high school and preferably to that represented by graduation from a university of recognized standing; graduation from the nurses' training school of an accredited hospital; registration as a registered nurse in the state in which graduated and, if from another state, evidence that application has been filed in Pennsylvania for the examination for registration; four years of successful nursing experience, two years of which shall have been in a supervisory capacity; intimate knowledge of the nursing and hospital methods used in the care and treatment of the sick in a general hospital; administrative ability; willingness to live and work in a general hospital; sympathetic understanding of the sick; high moral standard; tact; good judgment in nursing matters; neatness; endurance; and good physical condition.

Lines of Promotion:

From: Head Clinic Nurse; Head Nurse, Philadelphia Hospital for Contagious Diseases; Head Nurse, Philadelphia General Hospital; Head Nurse, Philadelphia Hospital for Mental Diseases; Instructor of Nursing, Philadelphia Hospital for Contagious Diseases; Instructor of Nurses, Philadelphia Hospital for Mental Diseases.

To: Director of Nurses; Superintendent of Nurses, Philadelphia Hospital for Contagious Diseases; Superintendent of Nurses, Philadelphia; Hospital for Mental Diseases.

Compensation:

Annual: $1800, $1920, $2040.
Allowance: Meals, Lodging, and Laundry.

The contrast between these two examples of "classification" may serve as the starting point for a brief summary of the classification movement, which, commencing in Chicago in 1910, has become standard practice in city, state, and federal governments.

For some years before 1910 the Chicago Civil Service Commission had been feeling its way toward a thorough reorganization of the service. Like the federal service, its then existing classification was on the basis of salary received.[1] However well these original salary grades may have indicated the kind of work and degree of responsibility of each employee, they soon became meaningless because the city council would raise an employee's salary without involving any change in his duties. Two men might be working side by side at the same duties, one in grade three, the other in grade five. The most serious consequences of this carelessness of the council in failing to keep some equitable balance between grade and duties was in making promotions. The law required that promotion be made from the next lower grade. Raising employees out of grade by salary increase made them at once eligible to promotion to still higher grades, thus exaggerating the inequalities. It was difficult to hold uniform or practical entrance or promotional examinations because there was no uniformity of duties for occupants of a given grade. Titles were so ill-fitted that they gave little indication of duties supposed to be performed. The whole situation made for partiality, favoritism and discontent, and burdened the finance committee with an impossible task of attempting to deal with hundreds of individual cases.[2]

A remarkable indictment of the hopeless situation into which the federal service had drifted was made by the Congressional Joint Commission on Reclassification in 1920. After referring to wide variations and marked inequalities in salary and wage rates for the same class of work, the absence of any standards and of any uniform plan for governing promotions, the commission summarized the prevailing situation in the following well-known passage, "There is serious discontent accompanied by an

[1] The grades until 1909 were: Grade 1, below $800; Grade 2, $800 to $1000; Grade 3, $1000 to $1200; Grade 4, $1200 to $1400; Grade 5, $1400 to $1600; Grade 6, $1600 to $1800; Grade 7, $1800 to $2000; Grade 8, over $2000.

[2] J. B. Kingsbury, *Municipal Personnel Policy in Chicago*, 1895-1915—a doctoral dissertation, University of Chicago (1923).

excessive turnover and loss among the best trained and most efficient employees, the morale of the personnel has been impaired, the national service has become unattractive to a desirable type of technical employee. . . ." [1]

Both in Chicago and elsewhere appropriating bodies and civil service commissions dealt with positions not as positions but on the basis of the needs, merits, claims, or power of the individuals who happened to occupy them. This was perhaps natural in view of the half-century of rampant personal favoritism in the public service; but an accurate notion of modern classification cannot be gained until the service is thought of, for purposes of personnel control, as a collection of positions having specific duties and responsibilities which taken together are adequate to perform the public work. The public interest obviously is opposed to unnecessary positions just as it is opposed to positions of unnecessarily high grade, and the interests of an individual employee are not sufficient to demand the constant raising of his grade to enable him to draw a larger pay check. But under the system prevailing before 1910 this was a common occurrence. Worse yet when a favored person holding an out of grade position retired from the service, it was filled at the very level at which he withdrew.

Experience had clearly demonstrated the impossibility of securing fairness in salaries and wages, in handling advances and promotions, in holding examinations or operating efficiency records until the utter confusion of the old régime had been eliminated. In 1909 the Chicago Civil Service Commission and a year later the Merriam Commission on City Expenditures made a sustained attack upon the old abuses. The result was the first duties classification.

Without entering upon the modifications of classification technique which have taken place since the virgin effort in Chicago, attention may be focussed for a moment on the form which a modern classification takes. The unit cell in the modern structure is the position, an office or employment whose duties, qualifications, responsibilities, salary range, and relations to other positions are described with the greatest possible accuracy.

[1] U. S. Congressional Joint Commission on the Reclassification of Salaries, House Doc. 686, 66th Congress, 2nd Session, pp. 18-19 (1920). *See also* New York, Senate Committee on Civil Service, *First Report* (1916).

All positions having substantially the same duties, requiring the same qualifications, and with the same degree of responsibility are grouped together in a class, which is given an appropriate salary range. The class is therefore a group of positions that are sufficiently alike to justify common treatment from the standpoint both of selection and compensation. Both duties and pay are essential elements. Thus a sanitary inspector may be paid at the same rate as a fireman but they perform unrelated duties, do not need the same qualifications, cannot be selected from the same tests or appointed from the same eligible list. They are not in the same class. The class, it should be observed, takes no account of departmental lines.

A completed classification is in essence an alphabetical index of the positions thus defined in classes. Early practice laid much emphasis on building up the classes into more comprehensive units, called series, services, and by other titles as well. This broad framework of the classification is now looked upon as a convenience only, not an essential part of the work, and is sometimes omitted entirely. The class is the essential operating unit.

Reference to the example cited above indicates the character of a modern class specification. It normally includes (1) title, so chosen as to be descriptive of the duties involved, (2) duties statement, with as much precision as possible, but not excluding the right of a superior officer to require other related work, and including degree of responsibility for work of others, (3) qualifications required in terms of formal education, experience, or equivalents, (4) compensation, usually expressed as a range, with three, four or five levels, (5) lines of promotion.

Enough has been said perhaps to venture a definition of the process of classification. In general terms the objective is to lay the foundation for equitable treatment for public employees by the accurate definition, orderly arrangement, and fair evaluation of positions in the public service.

The idea is essentially that the basis for the grouping and treatment of positions making up the public service to be recruited under the merit system must be in the characteristics that identify the positions and distinguish them, one from another, and that at the same time determine the tests that should properly be given to persons who seek to fill them and the compensation that should be paid to the incumbents. These characteristics are

obviously the work, the tasks, the responsibilities, and the other attributes that make up the duties of the positions.[1]

The National Federation of Federal Employees summed up the whole matter from their point of view in the following statement. "Reclassification means (1) salaries and wages on the basis of work performed, (2) equal pay for equal work, (3) fair pay in accordance with modern standards and progressive employment policies, (4) fair pay in relation to the cost of living, with a recognized minimum wage, (5) modern standards in employment conditions."

2. The Uses of a Modern Classification.

The civil service commission, its secretary and chief examiners, the finance or appropriations committee, and the employees themselves are all constantly concerned with the classification. It is used in a large number, although not all, of the most important personnel operations. It is fundamentally important in the process of selection, in guaranteeing substantially equal pay for equal work, in developing efficiency records, and in the consideration of budget requests for personal service. It plays an important rôle also in the administration of transfer, reinstatements, leaves of absence, and in furnishing a definite terminology for all who have responsibility for dealing with the management of official staffs.

The difficulties encountered in 1920 by the federal civil service commission in writing an examination for such a common occupation as clerk may be imagined from the report of the Reclassification Commission, in which it appeared that 1283 employees officially known by the title of clerk, class one, were actually performing ninety-seven varieties of duties. When a requisition for a clerk, class one, was received by the civil service commission, which of the ninety-seven varieties should be supplied? Obviously a candidate who would do well in one variety might fail miserably in another. When it became necessary to

[1] *See* E. O. Griffenhagen, *Origin of the Modern Occupational Classification in Personnel Administration, Public Personnel Studies*, vol. 2, pp. 184-94 (1924). "The purpose of salary standardization," writes Moses, "is to furnish a simple and logical classification of all employments, with general descriptions of duties, appropriate titles and rates of compensation, qualifications and conditions governing advancement, for purposes of appropriation, financial and civil service control, and information to present and prospective employees and the public." *See Am. Pol. Sci. Rev.*, vol. 10, p. 296 (1916).

hold an examination for clerk, class one, what qualities were to be sought? What questions were to be asked? What standards of competence were to be exacted? What confidence could the commission have that its eligible list contained the names of persons who had any fitness for their work? The only answer can be that the commission could only shut its eyes, pray for competent people, and put up a bold front. Moreover, so long as the unintelligible hodge-podge of titles remained, it was entirely impossible for them to proceed effectively along the lines of standardized tests, which alone can give real assurance of demonstrated competence.[1]

An early objective of classification is therefore to enable the examining agency to proceed intelligently in its testing. Only when it knows for what kind of work it is seeking applicants can it set up an intelligent examination. The classification not only permits the development of selective examinations, it also facilitates the establishment of significant eligible lists, and should diminish the difficulty of initiating the newcomer into his work.

The incongruities of pay which resulted from the unstandardized and unsystematic titles were endless. Classification lays the basis for uniform pay for the same kind of work and for consistency and equity in pay for different classes of work.[2] Equitable payment is obviously extremely difficult so long as persons occupying ostensibly the same positions are in fact performing different kinds of work, with different degrees of responsibility. An appropriating body under such conditions is largely at the mercy of persistent self-seekers, for it has no standards whatever to guide it. Classification automatically creates the condition out of which standards naturally spring,

[1] Senior file and record clerks were known by 105 different titles, including:

Assorter	Library assistant
Awarder	Production expert
Assistant Manager	Reviewer
Auditor	Supervisor
Boss Painter	Skilled laborer
Code Clerk	Secretary
Editor	Statistician
Examiner	Time clerk
Freight-rate clerk	Telephone operator
Italian verifier	Trouble chaser

See U. S. Reclassification Commission Report, p. 46.

[2] Consult "Competency and Economy in Public Expenditures," *Annals*, vol. 113, pp. 202-68 (1924).

and also makes more difficult special pleading of the individual case.

Under the old régime in Chicago promotion, required by law to be from the next lower grade or rank, had become nearly impossible owing to the utter confusion in titles and work performed. Classification renders possible the clean-cut handling of promotions along well defined lines worked out in the plan itself. Just as soon as positions have been sorted and grouped into homogeneous units, the natural lines of promotion begin to appear. Assuming that each individual is properly assigned to his class, his opportunity for promotion is in theory the same as for all other members of the class, following a normal line of development. Classification opens up promotion lines in more ways than one. It reveals blind alley employment and invites those in authority to take steps to provide some escape. It proceeds, moreover, on the theory that promotion is from class to class, irrespective of departmental or bureau lines, and thus does something to break down the water-tight compartments which too commonly have existed.

The making and administration of an efficiency or service rating is difficult enough under any circumstances, but is rendered almost impossible unless there is a sound and consistent classification. Imagine the task of rating the men and women who were formerly called clerks, class $1,200, when study of their duties indicated that they were engaged in seventy-seven different kinds of work. Even when a classification has been achieved which sorts all like employments into the same group, the problem of devising an accurate rating scheme for any but the most simple mechanical occupation is well-nigh impossible to solve. A beginning even cannot be made until this first preliminary step has been accomplished.

The confusion attendant upon consideration of budgets for personal service where the classification is inadequate or nonexistent has already been referred to. In such a case, every employee becomes potentially an individual case who has a broad invitation to press for special treatment. Kingsbury states that before 1910 in Chicago the finance committee made its recommendations for individual employees, instead of for positions, sitting around the table for weeks and sometimes months, and taking up each position separately. Outside, the corridors would

be full of city employees waiting to urge their claims upon members of the committee. By 1915 the budget was passed with the automatic increases, "without change and practically without debate." Lobbying by individual employees for salary increases was practically eliminated by the adoption of this policy.[1] Mayers asserts that one of the greatest benefits which federal reclassification would entail would be the substantial abolition of the statutory roll, a list of about 20,000 positions for which individual appropriations are made. A well planned and well administered classification permits an appropriating body to appropriate in lump sums without losing the necessary assurance that the money will not be misused to feather the nests of favorites.

Without going farther into the subject it is sufficiently clear that a sound classification is the very foundation for effective personnel management. It advances the interests of the employees, of the management, of the legislative body, and by creating a sense of fair play leading to greater efficiency, it harmonizes with the interests of the taxpayer. In principle it is hostile only to the interests of those who profit by the power to grant or refuse to individual employees the employment conditions to which they have a right. In detail, however, it is subject to criticism, the nature of which must be examined.

3. Classification Problems.

Much of the most vehement denunciation of classification concerns merely the application of accepted principles, as for the most part there is agreement on the main features of the program. But from time to time specific issues arise concerning which there is diversity of opinion and practice. To some of these attention will be turned in this section.

(*a*). *Current administration.* The principal functions of the agency charged with the current administration of an occupational classification will include the keeping of official records of the approved plan, the class specifications, and the allocations; the recording of authorized amendments; the securing of facts as to changes in the number, distribution, and duties of positions and the reporting of necessary modifications in the classification plan or in allocations to accommodate such service changes; the

[1] Kingsbury, *op. cit.*

systematic handling of department recommendations and employee petitions respecting classification matters; and the enforcing of the official classification terminology and standards.[1]

Two problems are involved here, one dealing with the choice of the authority in whose hands is to be placed the duty of day-by-day administration, the other concerning the difficulties encountered in maintaining the classification intact. A sound classification is essential not only to the civil service commission, it ought also to be the basis of the appropriation act for personal service. This involves the finance committee, which fixes salaries, and to whom petitions for change in salary are directed, as well as the civil service commission. The legislative body retains, of course, power to change an existing classification, and may sometimes do so merely by the terms of an appropriation item; so also the civil service commission has power to alter the classification, but no power to change an appropriation. As the essence of the classification idea is the consistent application of the same plan in all departments and in all connections, it is essential that some one agency be made clearly and fully responsible for the maintenance of the classification plan and for its adjustment as changes in the service give rise to the need for adjustment. The question inevitably arises whether the budget official or the civil service commission should be given the primary responsibility for working out and maintaining the classification. On the whole the personnel agency has usually been vested with this responsibility.

In the federal government, owing in part to the jealousy of different groups, a Personnel Classification Board was established, consisting of one representative of the Bureau of the Budget, the Bureau of Efficiency, and the Civil Service Commission respectively. There has been much diversity of opinion within the board, and strong resolutions have been presented to Congress calling for its abolition and the transfer of its duties to the Civil Service Commission.[2] Whatever solution be reached, it is clear that close cooperation is required between the budget and personnel agencies. But it seems as if much would be

[1] E. O. Griffenhagen, *op. cit.*

[2] *See* "The Law and the Personnel Classification Board," Hearings before the Committee on the Civil Service, House of Representatives, 68 Congress, 1st Session, on H. R. 6896, February 25, 26, 29 and March 1, 1924, and speech of Hon. Frederic R. Lehlbach in the House of Representatives February 12, 1924.

gained if the appropriating body would accept the classification worked out by the civil service commission, while the latter refrained from the difficult task of fixing salaries.

To safeguard the integrity of a classification requires constant and unremitting effort. The difficulties are increased because some power to alter and amend classification and salary levels is essential in order to correct initial errors and to keep abreast of changing conditions. Some exceptions, some amendments, are to be expected as natural and normal consequences of a changing situation. Thus a new service is undertaken, requiring the building up of a new staff with perhaps novel duties. This may involve a series of personnel operations: (a) transfer of employees, (b) promotion, (c) holding examinations and opening new eligible lists, (d) temporary appointments, (e) the creation of a new class with appropriate duties. Again, a resourceful employee gradually reaches out and takes on a fringe of related duties which soon mark him out as an exceptionally important man, who has made a new position by virtue of his own activity and interest. His position may need to be regraded to correspond with the facts. Again changes in wage levels of union labor, governed by market conditions, may require changes in other wage or salary levels. The employment situation shows a living, changing world where adaptation is constantly necessary.

But there is also constant pressure to break down the integrity of the classification, by assigning a classification different from, and usually of a higher grade than is warranted by the duties actually performed. This is the outcome of a variety of situations. A bureau chief or department head comes to know some subordinate very well, and acquires a high opinion of the manner in which he discharges his duties. He wishes to keep him in his office, rather than have him enter another office by promotion to the next higher grade. He therefore seeks an appropriation for the employment of a clerk in the next higher grade in his office, and that secured, finds means to place his subordinate in the position, although his duties are in no way changed. The initiative comes more often perhaps from the employees, who seek to have their positions "regraded," although no change of duties has occurred. They make their appeal primarily to the appropriation committee.

In Chicago employees' appeals for regrading have been supported by such arguments as these: "You know that in these days of high prices, there is little left for a rainy day." Another wrote to the finance committee, "The listing and adding machine I am operating is the largest built by the Burroughs Company, and writing the payrolls is exacting and strenuous." Another declared, "I did not avail myself of taking the recent senior clerk examination, and consequently if I am not fixed up from junior stenographer to senior clerk, I will have to be a junior stenographer indefinitely." The result is that there is a constant pressure on the classification, tending to multiply the higher grades until the organization becomes top heavy.

The matter is made more serious because the responsibility for maintaining the classification is not infrequently divided between the civil service commission, the budget agency and the appropriation committee. It is this situation, among others, which has weakened the administration of the Chicago classification.

It is also complicated by the disregard of the classification in assignment of work by bureau chiefs. They are chiefly concerned in "getting out the work," and are likely to pay scant regard to the exact allotment of duties according to specifications. The practical result is that clever or industrious clerks may be found performing the duties of clerks of the higher grade simply because they can be trusted while the latter cannot be trusted. Logic requires a simultaneous promotion and demotion of the clerks concerned, but the painful difficulties involved in demotion are usually avoided. Injustice is done either to the industrious clerk by paying him less than he earns, or to the treasury by paying his incompetent fellow clerk more than he deserves.

(*b*). *Overclassification.* Complaint is made in some jurisdictions that there are too many grades, leading to fictitious differences between essentially like positions. The Chicago clerks believe, for instance, that there is no real difference between the junior and senior clerk. Other clerical grades are principal, head, assistant chief, and chief clerk. The point of this complaint is usually directed at the retardation of promotion which is held up at each of the examination barriers imposed by the next higher class.

(*c*). *The superior employee.* An important and difficult problem is set by the classification rules concerning the superior employee. The slogan of "equal pay for equal work" is commonly interpreted to mean equal pay for persons of the same classification, having the same number of years' experience in that class or grade, with no reference to the relative ability of those persons. The rules for promotion which are associated with the classification usually prescribe that a person shall enter at the lowest grade of a class, skipping none of the intermediate points. The pay scales make no provision for differentiating between a half dozen men all of whom have reached the highest grade of a class, and are awaiting promotion to the next higher class whenever a vacancy occurs, and between whom there may be the widest variation in proficiency as well as many years' difference in service. Neither do the salary scales reward an employee whose initiative and interest make him the "key" man in the office, or one who performs some meritorious service.[1]

Classification was intended to put an end to personal treatment, and is constructed on the ideal of dealing with positions and not with individuals. No one can disagree with the fundamental importance of these objectives, but if there results a rigidity which has the effect of driving the ablest employees out of the service into industry, or of dulling their initiative by the discouragement of stagnation, the question may be raised if proper safeguards cannot be found to enable the superior civil servant to progress according to his developing powers.

(*d*). *Duplication of titles.* An annoying difficulty arises when the appropriations committee or the department officials fail to use the titles fixed by the classification. Such confusion results from the use of two or even three sets of titles that effective personnel administration becomes nearly impossible.

Another wholly disconnected and relatively unimportant problem arises from the lack of standardization of titles as between different jurisdictions. An analysis was made of the occurrence of titles in eight classifications with 486 vocational groups, which showed that only 26 per cent of the titles appeared in more than one classification, 13 per cent in more than two, 5.5 per cent in

[1] In many jurisdictions an apparent exception to this statement exists in the rule restricting advancement solely to those who demonstrate superior efficiency. This rule is thought to be of little actual importance.

more than three, and 4 per cent in more than four.[1] Only two titles appeared in all eight, "nurse" and "clerk." If the administrative services of different jurisdictions are ever to be pooled for purposes of more effective use of personnel, some degree of uniformity would become essential.

4. The Salary Problem.

Classification is an essential preliminary step toward a sound salary policy, but does not in itself settle the issue. Indeed, the allocation of salaries is distinct from the original process of classifying, which at best goes only part way toward an adequate solution of the salary problem. The development of a comprehensive and consistent policy with respect to remuneration is fundamental in handling employment matters. The original field of choice, the standards of training and experience, the standards of efficiency, the development of incentives are all profoundly affected by the salary and wage policy. The whole subject is greatly complicated by the need for economy and reduction of expenditures which Mr. Secretary Redfield once referred to as "the meannesses of Uncle Sam."

The traditional methods of fixing salaries for federal, state, and municipal positions have been slovenly, unsystematic, and wasteful. They have fulfilled none of the requirements of good administration, either from the point of view of the legislative body, the responsible administrative officials, or the employees. They have lent themselves to sharp practice, to collusion, and to the grossest discrimination. They have been a potent cause for the spread of discontent and the destruction of morale. They illustrate in a most unfortunate manner the incapacity of American legislatures in dealing with administrative questions.

Writing in 1922, Mayers described the prevailing methods in the federal government. The "statutory roll" then included an estimated 20,000 positions for which Congress fixed the title and salary, comprising almost all positions in the higher levels of the service. In dealing with these positions, Congress had no schedule of classes, no uniform titles, no definition of duties, and no scales of salaries. "The only standard by which the correctness or adequacy of the rates fixed for the thousands of statu-

[1] *See* W. C. Beyer, "Employment Standardization in the Public Service," *National Municipal Review*, vol. 9, pp. 391-403 (1920).

tory positions has been measured in recent years has been the personal judgment of the members of the committees of Congress responsible for appropriation measures." [1] To secure an increase in salary the individual employee was required to urge his claims upon his bureau chief and not infrequently upon the committees of Congress as well.

The power to establish other positions and to fix their compensations was vested either in the President, or more commonly in the heads of departments and independent establishments. Congress made a lump sum appropriation, and left the administrative officers largely without restriction, but it failed to provide any classification of grades and bases of compensation. After commenting on the difficulty of characterizing the situation prevailing over the whole service, Mayers writes, "It may be said safely, however, that over a considerable area of the service, the heads of departments have exercised their wide discretion in the fixation of rates for individual positions with but little more regard to correct principles than has Congress."

A careful study of the federal service from which two illustrative tables are taken reveals the extent of the injustice developed.[2] The first table shows the widening gap between salary levels and the cost of living, which caused great distress during and after the war.

TABLE I

NUMBER AND AVERAGE SALARY OF GOVERNMENT EMPLOYEES IN THE DISTRICT OF COLUMBIA, 1893 TO 1919, AND PURCHASING POWER OF SALARY IN RELATION TO 1893 SALARY.[3]

YEAR	NUMBER OF EMPLOYES	AVERAGE SALARY	INDEX OF RETAIL FOOD PRICES	PURCHASING POWER OF SALARY IN RELATION TO 1893 SALARY
1893	14,919	$1,096	100	$1,096
1903	23,757	1,067	106	1,007
1913	36,289	1,134	141	804
1919	91,791	1,321 *	259	510

* Not including average bonus of $216.

The second table indicates the different treatment given to different classes of employees during the period of rising prices.

[1] Mayers, *Federal Service*, p. 184.
[2] Mary Conyngton, "Government's Wage Policy during the Last Quarter Century," *Monthly Labor Review*, vol. 10, pp. 1325-41 (1920).
[3] Adapted from Miss Conyngton's Table I, p. 1327, *op. cit.*

TABLE II

INCREASE, 1915-1919, IN AVERAGE SALARY OF SPECIFIED GROUPS OF GOVERNMENT EMPLOYEES COMPARED WITH INCREASE IN RETAIL PRICES OF FOOD. AVERAGES INCLUDE BONUS.

ITEM	PER CENT INCREASE
Retail prices of food	82.00
Wages of	
Compositors	69.17
Pressmen	53.81
Naval architects and draftsmen	38.93
Geologists	27.99
Clerks, general land office	27.29
Assistants, Library of Congress	26.76
Cadastral engineers	24.92
Copyright clerks	23.37
Adjudicating clerks, general land office	17.07
Engravers, Coast and Geodetic Survey	16.77

A third table shows the great variation in salaries paid employees engaged in the same kind of work.[1]

TABLE III

RATE OF PAY EXCLUSIVE OF BONUS	EMPLOYEES (13,449 IN THE FILING AND RECORD "SERIES" ACCORDING TO THE PRELIMINARY TABULATION, APR. 30, 1919)					
	Under	*Junior*	*Senior*	*Principal*	*Head*	*Chief*
All rates	383	10,154	2,334	462	96	20
Under $720	92	27	...	...	..	..
$720 but under $840	56	41	2	...	..	..
$840 but under $900	24	26	5	...	..	..
$900 but under $1000	134	309	18	1	..	..
$1000 but under $1100	43	999	123	...	..	..
$1100 but under $1200	19	3,373	369	11	..	..
$1200 but under $1320	15	4,935	1,208	112	1	..
$1320 but under $1440	..	377	437	147	6	..
$1440 but under $1560	..	50	63	43	..	..
$1560 but under $1800	..	8	74	101	23	1
$1800 but under $2000	..	7	30	36	50	11
$2000 but under $2500	..	2	5	8	12	6
$2500 but under $3000	..	...	...	1	4	1
$3000 but under $4000	..	...	...	2	.	1

These and other figures led Miss Conyngton to assert that:

The only conclusion that can be drawn from these varied rates of increase is that the government raises salaries only when it is forced to do so in order to keep its employees, and then only so far as to withstand outside competition. When there is no such competition, salaries tend to remain stationary or are advanced slowly and uncertainly to an extent which is wholly insufficient to meet the increase

[1] U. S. Congressional Joint Commission on Reclassification of Salaries, *op. cit.*, p. 33.

in the cost of living. This policy of drift is the more easily followed because government employees have never shown any inclination to strike, have only recently organized themselves into a union, and have made it one of the basic principles of that union that they shall neither themselves strike nor be called upon to support any strike against the government.

In states and cities there has been almost total lack of care in fixing salaries. The widest variety in practice even within a single jurisdiction may prevail. Illinois represents a good illustration of haphazard methods, although there has been an unused appropriation for a classification commission for over four years.

The Illinois state legislature fixes the title and salary of many positions in the appropriation act. Thus it appropriated to the division of seed inspection in the following form.[1]

Division of Seed Inspection

(17) To the Department of Agriculture

For Salaries and Wages	$25,600
For the following positions at not to exceed the annual rates herein specified:	
1 Chief seed analyst	$3,000 per annum
1 Seed inspector	1,800 per annum
1 Seed inspector	1,500 per annum
1 Seed analyst	1,800 per annum
1 Stenographer	1,500 per annum
1 Clerk	1,200 per annum
Extra help	2,000 per annum

Advancement or promotion for the persons holding these positions is dependent upon individual consideration given at two year intervals by the appropriations committee of the legislature. This is the typical form of appropriation made to the several departments and divisions.

In the same appropriation act, however, occurs the grant to the geological survey in the form shown on the following page.[2]

In this case the determination of individual salaries and advancement was left to the chief of the division and the director of the department.

Of New York it has been said, "In the history of the state government there has never been—and there is not at the present time—an exact or logical basis for fixing salary rates or titles of positions. Standards of compensation as a basis for making salary appropria-

[1] Laws, 1923, p. 103.
[2] *Ibid.*, p. 134.

Division of State Geological Survey

(76) To the Department of Registration and Education

For Salaries and Wages	$79,555
For the following positions at not to exceed annual rates herein specified:	
1 Chief of division	$5,000 per annum
Scientific and technical staff	28,280 first year
Scientific and technical staff	27,295 second year
Clerks, stenographers, rodmen, messengers and extra help	6,990 per annum

tions are unknown. Civil service employments are from the viewpoint of salary standards and related working conditions in a chaotic state. . . . In a large number of cases, salaries are fixed by accident, expediency, or political preference. Increases in salary have been irregular, uncertain, and too often without regard to the relative merit of employees."

These illustrations and quotations are chosen to bring out the objectives involved in the process of salary determination. They include (1) equity as between individuals performing substantially the same kind of work, (2) equity as between one kind of work and other kinds, (3) fairness in adjusting salary levels to changing price levels, (4) freedom from political manipulation of individual or class salaries, (5) adequate opportunity for presentation of claims by officials and employees.

The process of classification goes far to ensure observance of the first principle commonly put as "equal pay for equal work." Assuming that individuals are properly allocated to the correct classification and that they are kept in the correct classification, equity as between individuals has been substantially achieved.

Equity as between class and class is an extremely difficult problem which classification helps only by bringing out the facts clearly. The issue is how to determine the relative worth of designing engineers, health inspectors, junior clerks, motion picture censors, accountants, bacteriologists and others. The issue is complicated by the special position acquired by union labor.

The reclassification reports say little or nothing about the wages of labor, skilled or unskilled. The most common practice is to pay the going rate, wherever it is possible to discover the prevailing wage in the same occupation in industry.[1] This

[1] *Office Order No. 6*, Office of the Chief of Ordnance, War Department (1922). "It is an administrative duty of every commanding office of an ordnance establishment to keep personally in touch with the industrial and

means usually the rate secured by the trade union in collective bargaining with employers. Where there is no analogous group employed in industry, as, for example, the street cleaners, the wage is fixed, at least in the larger cities, by much the same process of collective bargaining, carried on between the local union and the finance committee of the city council and other local authorities. Observation leads to the conclusion that the power of resistance of the city authorities is not very great, whether from a healthy respect for the voting power of organized labor, or from fear of pushing matters to an issue and precipitating a strike, or from other motives. The wages of organized employees are now sometimes completely out of relation to the salaries paid professional men in government service. This is a cause for profound discontent among the latter group.

The non-unionized branches of public employment, especially in the higher grades, find difficulty in keeping their salary levels up to the levels attained in the competitive world. The public service, in fact, does little more than to reflect with greater or less fidelity the conditions prevailing in the world at large. Although a large employer of labor, it obviously cannot in most instances control general wage levels by its own employment policy.

Whatever ideas govern the determination of wage and salary levels, some provision should be made for making adjustments to the changing cost of living. The last ten years have of course been exceptional but they have clearly demonstrated the gross injustice to employees of the existing lack of system. The figures quoted from Miss Conyngton's article demonstrate that the federal employees have been required to bear a heavy share of the increasing cost of government, and it is difficult indeed to justify the sharp reduction in the purchasing power of their salary. The bonus plan, by which Congress made a lump sum addition to most salaries, failed to meet the needs of the situation. Two plans have been tried in Great Britain. In 1917 an arbitration board was set up to hear and determine appeals for increase in compensation; in 1919 this was superseded by a plan calling for a base pay with an increment adjusted every six months to

wage situation in his vicinity at all times and to institute formal survey of wages whenever, in his judgment, conditions warrant such action. Legislation prohibits the paying of a salary or hourly wage rate in excess of that paid in the vicinity for similar service. Claims made by employees that wages do not correspond with those in the vicinity should be promptly and thoroughly investigated."

the cost of living. In 1925 recourse was again taken to the principle of arbitration. It seems that both devices have a place, the adjustable increment to work automatically at periodic intervals, and the arbitration board to adjust disputes concerning the justice of the base pay.

These perplexing situations challenge students of government to discover correct principles on which to classify public positions and allot salaries. This opens up a practical situation as difficult as it is complex. On the one hand is the tax-payer, always anxious to keep taxes at a minimum, and potentially ready at any election to retire Congressmen or city councilmen who are accessories to "salary grabs," or "padded payrolls." On the same side range themselves also the chief executives, who in recent years especially have committed themselves to programs of economy. Here also are some legislators, although many of them, while arguing for economy in general, leave no stone unturned to secure increases for their friends and supporters. On the other hand, stand first of all the powerful unions, fortified by the recognition of the "prevailing" rate, strengthened by their affiliation with organized labor, and reenforced by their voting power. With them are aligned the less aggressive associations and organizations, not trade-unions. With them stand the mass of individual employees, hoping naturally for an increase in salary, and using what means are at hand for that purpose. With them also are to be found a certain proportion of every legislative body who seek to make capital for themselves by advocating the cause of the "workers." Amidst these conflicting interests, what shall be the principles on which the general level of salaries and wages shall be fixed?

A clear statement of principle is presented by Griffenhagen and Telford in Public Personnel Studies.[1]

They declare:

> 1. The pay provided should be adequate from the standpoint of general welfare; this means that it should be sufficient to enable the employee to meet the cost of living as determined by a reasonable minimum budget properly related to his social class or group. It might be said in addition that in the public service the compensation plan should be devised with due regard to the principle that a public body should be a model employer.

[1] *Public Personnel Studies*, vol. 3, p. 16 (1925).

2. The plan should be equitable not only with respect to the employee but also with respect to the employer. In the public service the interest of the employer is that of the tax payer, who is concerned with the cost of government.

3. The compensation plan should be not only equitable but also uniform in its application. The scale of pay for a given type of service in one branch of the organization as well as all of the rules of administration pertaining to it should be the same for the same type of service in any other branch. As a corollary to this principle, it may be said that the relationship between scales of pay for different classes of employment should be in proportion to the responsibility, importance of duties, and qualifications required.

On reducing these principles to practice, the criterion which is chiefly relied upon is the market value or the prevailing rate.[1] To pay substantially less than the equivalent of the prevailing rate would soon result in an inferior eligible list and ultimate loss to the state. The market price is relatively simple to apply and is usually readily accepted, except at the two extremes. At the lower extremity, there is a strong feeling that the government should pay a minimum wage fixed at a point which at existing price levels will maintain an "American" standard of living.[2] At the opposite extreme there is a feeling that prevailing wages are artificially inflated and maintained only by the implied threat of a strike.

A recent British report proposed a basis for wages and salaries which gives little support to the idea of a minimum wage. "In our view there is only one principle in which all the factors of responsibility, cost of living, marriage, children, social position, etc., are included—the employer should pay what is necessary to recruit and retain an efficient staff."[3] This statement was severely criticized by the organized civil servants.

It must be borne in mind that the payments of a public official or employee are not all accounted for in his salary check. In addition to the weekly or monthly pay check must be reckoned

[1] Time and motion studies as the base for fixing the amount of output and the wage received have been opposed by labor in government circles as elsewhere, and have played only a small part. The Watertown Arsenal case is of significance. On the general subject see an important debate in *Bulletin of the Taylor Society*, vol. 6, pp. 99-135 (1921), "Stop-Watch Time Study: An Indictment and a Defense."

[2] The National Federation of Federal Employees endorse a minimum wage as a part of their legislative program.

[3] Report of the Committee on Pay, etc., of State Servants, 1923, cited as the Anderson Committee Report. *See also* E. Colston Shepherd, *The Fixing of Wages in Government Employment* (1923).

the pension accruals, which are almost universally furnished in part by the government. Steady work and security of tenure are intangible elements whose monetary value is substantial. These may properly lead to a certain discount from the prevailing rates in industry. "The state," observes the Anderson report, "as a model employer offers security, a pension, a dignified service and a moderate wage in exchange for the excitement and possibilities of private employment."

A recent stimulating study suggests the wisdom of making an adjustment in salary according to the size of the family of the employee.[1] This plan is already in effect in the state service of France. The controversy concerning equal pay for men and women in the public service has prevailed for many years, with few signs of a solution, although one may discern a tendency toward equal pay for both sexes.

Nowhere has it yet been suggested that the government's wage policy might become one of the most potent agencies to build up a high morale. It can become such an agency only on the assumption that the whole personnel system is keyed up to much more exacting standards than are now usually found. May it not be, however, that a combination of rigid elimination of the less competent with an attractive salary scale for a selected élite furnishes one of the open roads toward an efficient public service? It would at least be an interesting experiment.[2]

BIBLIOGRAPHY

The best early account of the classification and standardization movement is found in "Standardization of Public Employment," numbers 67 and 76 (1915-1916) of *Municipal Research;* the most recent and the most systematic account is in a series of articles in *Public Personnel*

[1] *See* Paul H. Douglas, *Wages and the Family* (1925).

[2] The considerations that prevail in the public service where careful thought is given to fixing salaries are well brought out by a report of the supervisor of administration in Massachusetts. On recommending rates of compensation the supervisor considered first, the market value of the service rendered, i.e. rates paid for similar work in private service, in other state governments, in municipalities and the federal government, and rates established in closely related groups of employment in the state service. "In addition the past and present practices of the Commonwealth for determining salaries were studied, and conferences were held with the department heads to ascertain by experience whether or not the state was obtaining desirable recruits and satisfactory service under these practices." In addition an evaluation was made of such matters as permanency of tenure, pensions, reasonable working hours and vacations, opportunity for individual effort and rapid and certain promotion, or the contrary.

Studies, as follows: E. O. Griffenhagen, "The Origin of the Modern Occupational Classification in Personnel Administration," vol. 2, pp. 184-94; "The Use of an Occupational Classification of Positions," (anonymous) vol. 2, pp. 220-25; E. O. Griffenhagen, "The Principles and Technique of Preparing an Occupational Classification of Positions in the Public Service," vol. 2, pp. 240-53; E. O. Griffenhagen and Fred Telford, "The Principles and Technique of Preparing a Plan of Compensation for Positions and Employees in a Large Organization," vol. 3, pp. 16-25; Fred Telford, "The Content, Form, and Arrangement of the Classification and Compensation Plans," vol. 3, pp. 42-51; Fred Telford and F. O. Everett, "The Detroit Classification and Salary Standardization Study of 1924," vol. 3, pp. 85-96; C. P. Messick and Fred Telford, "The Development and Administration of Classification and Compensation Plans in the State Service of New Jersey," vol. 3, pp. 122-30; Fred Telford, "The Titles in an Occupational Classification Plan," vol. 3, pp. 142-46.

Other important sources of information include Lewis Mayers, *Federal Service*, ch. 7 (1922); A. E. Procter, *Principles of Public Personnel Administration* (1921); William C. Beyer, "Employment Standardization in the Public Service," *National Municipal Review*, vol. 9, p. 39 (Supplement) (1920); R. H. Moses, "Standardization of Salaries and Grades," *Am. Pol. Sci. Rev.*, vol. 10, pp. 296-314 (1916); Warren R. Burgess, *Trend of School Costs* (1920).

For official sources consult chiefly, Report of United States Congressional Joint Commission on Reclassification of Salaries, House Document No. 686, 66th Congress, 2nd Session; New York Senate Committe on Civil Service, First Report (1916); Massachusetts, Governor's Council, Report of the Special Committee on Standardization of Salaries, House Document No. 1175 (1918).

CHAPTER FOURTEEN

PROMOTION AND EFFICIENCY RECORDS

The Impartial Rater of Nine Grades seldom grades men according to their merits, but always according to his likes and dislikes. It is difficult to judge men and I do not blame him. But the consequence is serious. In the upper ranks of the officialdom there is no single man who comes from a poor or humble family, while in the lower ranks there is no single man who comes from a rich family or a family of a high officer.

Sin Yu, commenting on an early exponent of efficiency ratings. (Wei dynasty, 221-265 A.D.)

In order to attract the most desirable class of applicants for positions in the public service, and to keep them constantly alert, better means can hardly be found than the inducement of possible promotion to the better paid and more responsible positions. If on the other hand the better positions go by favor, the almost certain result is a second rate lot of applicants, a discontented mass of employees, and a high rate of turnover.

At best the opportunity for promotion in the public service has distinct limitations, owing to the restricted opportunity to pass from department to department and from jurisdiction to jurisdiction, and to the relatively small number of supervisory positions compared with the mass of subordinate positions.[1] The post office department affords a good illustration of the failure to organize its promotion system in such a way as to maintain a nation-wide opportunity, which could readily be established. Until 1917 all important postmasterships were outside the classified service entirely; and even now no one can compete who does not reside within the jurisdiction of the local post office. From the standpoint of the most efficient postal service, this rule of local residence is wholly indefensible and has even less excuse than the local residence requirement usually imposed by

[1] Throughout this chapter, reference is made to promotion proper as distinguished from advancement. Promotion signifies a change in duties and responsibility as well as pay, while advancement indicates merely an increase in pay due to service within a class, but without change of title, duties, or responsibilities.

state and local governments. Similar rules limit the opportunity for persons holding lower ranks.

Of these practices Willoughby writes, "It is difficult to conceive a scheme of organization better adapted to deprive the personnel of incentive for good work, to stifle ambition for advancement within the service, or to tie the hands of a central administration desiring to put its service upon a really efficient and economical basis." [1]

The police service is another notable illustration of the ineptness of the local residence requirement. Almost universally the chief of police must be a resident of the city, which has the effect of stifling the development on scientific foundations of a profession of vital importance, and which insures the perpetuation of local police chiefs taken from the ranks, without any experience wider than that of their locality, or taken from local business men with a taste for organization but usually devoid of any professional training for the position.

Within the service also the number of better positions is relatively small. The following table is intended to bring out the range of opportunity in certain selected, closed services by comparing the number of positions in higher grades per one hundred positions in the entrance grade.

Grade	U. S. Public Health Service*	Chicago Police†	Detroit Hospital Service‡	Chicago Fire Department§
V	1.2	.06	..	.5
IV	1.2	.8	1.0	3.7
III	12.0	4.0	1.0	11.6
II	89.0	73.4	17.0	11.6
I	100.0	100.0	100.0	100.0

* Figures from L. F. Schmeckebier, *Public Health Service* (1923).
† Comptroller's Estimates, 1925.
‡ Furnished by Griffenhagen and Associates.
§ Report of the Fire Marshal, 1920-21.

This situation reenforces an observation made by Thurstone to the effect that persons of only moderate intelligence should be recruited for the lower positions. Where, however, the original selection is relied upon to fill the higher positions by promotion, men of high capacity must be discovered as well. An extremely significant classification of public positions would result from their tabulation according to the amount of "native intelligence"

[1] W. F. Willoughby, "Efficient Organization of the Personnel in Administration," *Proceedings of the Academy of Political Science*, vol. 3, pp. 180-89 (1912-13).

and other qualities required for their performance. The difficulties of such an undertaking make it unlikely that it will soon be accomplished, but it is possible that significant beginnings could be made. Another equally important investigation would be to determine the capacity for promotion of a sample of one thousand employees, so far as their qualities of general intelligence, initiative, persistence, inventiveness, capacity for cooperation and the like could be evaluated.

1. The Results of Unorganized Systems of Promotion.

In a small organization, relative capacity and fitness for promotion may be readily ascertained, in a way which satisfies all concerned, by the personal appraisal of some official who is himself acquainted with all the employees, assuming that the official is not disqualified by individual bias or antipathies. In a large organization, however, great difficulties are met with in securing opportunities for promotion which will be equitable to all employees and accurate in selecting those who are really best qualified. These difficulties are illustrated in the following cases.

(*a*). *The Federal Service.* The rules of the United States Civil Service Commission provide, "1. Competitive tests or examinations shall, as far as practicable and useful, be established to test fitness for promotion in the classified service. 2. Until regulations to govern promotions are made promotion may be made upon any test of fitness not disapproved by the commission which may be determined upon by the promoting officer," with certain qualifications.[1] The Civil Service Commission has in fact left the various departments substantially free to govern their own promotions.

The Joint Commission on Reclassification found "that the absence of any uniform plan or system for regulating increases in pay of employees who have gained in experience and usefulness in a given class of work, and the even more serious lack of any equitable system governing promotion from lower to higher classes of positions have been very large factors in causing the disproportion between pay and work."[2] The commission explained that in the offices with statutory appropriations, an increase of compensation is contingent upon the occurrence of a

[1] Rule XI, sec. 1-2.
[2] Report, pp. 53-54.

vacancy at a higher rate, or upon an increase becoming possible through specific Congressional action. In the offices with lump sum appropriations, advancement is contingent upon administrative action, largely influenced by the state of the appropriations. In some offices systems of efficiency ratings, advisory committees and examinations for certain classes were employed to secure fair treatment, while in others everything depended on the administrator's knowledge of his force, his fairness, and his judgment.

A painstaking analysis of the reasons for resignations from the federal service assigned an important place to inadequate opportunity for promotion as compared with industry. Study of 609 cases of resignation showed an average annual increase in salary of $110 in government service, and (for the same persons) of $430 per year in private service.[1]

(*b*). *New York State Service.* A striking case of a bad promotion system was revealed in the report of the New York Senate Committee on Civil Service.

> The failure of the state government to establish a sound and equitable system of advancements and promotions has produced conditions unjust to the employee and extremely costly to the state. Advancement of employees has been influenced in no small degree by accident or by considerations of personal preference. Too little premium is placed upon demonstrated merit, efficiency, or length of service.

The following examples, typifying the irregularities which have resulted from the loose provisions of the law and practice relating to the competitive promotional system, are particularly illuminating:

Case Number 1

B (age 53), standing 12th on the bookkeeper eligible list, was appointed assistant bookkeeper at $720, and in a period of three years was advanced to $2,400, his promotions having been as follows:

Appointed Aug. 10, 1910	$ 720	Assistant Bookkeeper
Promoted Feb. 10, 1911	900	Assistant Bookkeeper
Promoted Aug. 10, 1911	1,200	Assistant Bookkeeper
Promoted Feb. 10, 1912	1,500	Assistant Bookkeeper
Promoted Aug. 10, 1912	1,800	Assistant Bookkeeper
Promoted Feb. 10, 1913	2,100	Bookkeeper
Promoted Aug. 10, 1913	2,400	Bookkeeper

B is now performing work which is reasonably worth a maximum of $1,800.

[1] Mary Conyngton, "Separations from the Government Service," in *Monthly Labor Review*, vol. 11, pp. 1131-44 (1920).

Case Number 2

C (age 28), standing 78th on the messenger eligible list, was appointed messenger at $480, and in the period of five years was advanced to $3,000, his promotions having been as follows:

Appointed, March 11, 1910	$ 480	Messenger
Promoted, Sept. 21, 1910	600	Clerk
Promoted, April 1, 1911	720	Clerk and Asst. Deputy
Promoted, October 1, 1911	900	Clerk and Asst. Deputy
Promoted, April 1, 1912	1,200	Clerk and Asst. Deputy
Promoted, October 1, 1912	1,500	Clerk and Asst. Deputy
Promoted, April 1, 1913	1,800	Clerk and Asst. Deputy
Promoted, October 1, 1913	2,100	Clerk and Asst. Deputy
Promoted, July 1, 1914	2,400	Clerk and Asst. Deputy
Promoted, July 1, 1915	3,000	Clerk and Asst. Deputy

C is now performing work which is reasonably worth a maximum of $1,680.[1]

Perhaps no factor has done as much to lower the working efficiency of state employees as the haphazard and irregular advancement and promotion system which has given too little recognition of the competent and too much protection and recognition of the incompetent.[2]

(*c*). *Chicago.* In Chicago promotions are governed by rules prescribing competitive examinations, an efficiency rating, and a credit for seniority. The tendency of recent years has been strongly toward disregarding the order of promotion merit as thus established, by means of a widespread practice known as "waiving." By this is meant refusal of an opportunity of promotion to a higher rank with larger responsibilities and increased pay.

Why should a municipal employee deliberately reject an opportunity for promotion? Several cases must be distinguished to

[1] N. Y. Senate Committee on Civil Service, *First Report* (1916), pp. xviii-xxi.

[2] The following table, adapted from material in the New York Report, p. xcviii, and showing the promotion history of clerks in different offices, is significant.

Office	Average number months per advancement	Average amount salary increase per advancement
Comptroller	16	$231
Insurance	17	162
Health	29	197
Secretary of State	22	142
Labor	34	187
Education	36	140

give a complete answer to this question. (1) An employee has long been employed in a given bureau, with whose work he is familiar, whose surroundings have become pleasant and agreeable, and whose personal relationships are well-established. To accept a promotion means the necessity of taking over a different kind of work, of changing environment, and of breaking off agreeable personal connections. Reluctance to submit to these necessities may outbalance the desire for higher wages. (2) This reluctance becomes the stronger when the employee learns that discipline and work requirements in the vacant position are more rigid than in his bureau. (3) It is also powerfully affected by the possibility that soon another vacancy in the same grade will occur within his own bureau, to which he may look for promotion. (4) Uncertainty about his capacity to do other work satisfactorily weighs in the minds of some, especially the older employees, or those whose work has been highly specialized. In cases of failure in a new position, the employee is not reinstated in his former line of work, but is separated from the service. The penalty is thus a severe one, and without doubt is an active cause for refusing promotion to other offices. (5) In the cases just mentioned, the waiver is voluntary. Unfortunately, many waivers are extorted as the outcome of more or less pressure. The common argument runs along the lines of the following conversation:

Aspirant for promotion: "There is to be a vacancy in my office in the grade just above mine. I notice that you are on the eligible list for this grade somewhat ahead of me."

Another city employee: "Is that so?"

Aspirant: "Yes, I have been waiting for that vacancy for a long time. Now you don't want to take my job away from me, of course."

City employee: "Well, I need the extra money pretty badly."

Aspirant: "But this is my job. I have been practically doing the work for years, and know all about it. You don't know anything about that kind of work. You waive for me now, and I'll waive for you when you want me to."

City employee: "All right. Give me the form and I'll sign it. Good luck!"

(6) Sometimes pleading of this sort is not strong enough. In that case a number of alternatives are open. Two leaders on the list can be carried along until by successive waivers and recertifications the aspirant for the job is reached. Others can

be told that if they don't waive, the news will be spread around the city hall to their detriment. With the consent of the bureau chief, which can frequently be obtained, the request for any certifications can be held up indefinitely until it becomes clear to all that only a certain favored person will be promoted.

Cases have been discovered in which sixty, eighty, and even over one hundred waivers were secured for a single promotion. The havoc which this practice makes with individual fortunes may be illustrated by the case of Mr. "Jones":

> Mr. "Jones" earned a rank of tenth on the principal clerk list, with an examination grade of 88.05. He waived appointment to the comptroller's office on February 10, 1922, was passed by the health department on June 12, waived appointment to the board of education on June 14, was passed by the Municipal Tuberculosis Sanitarium on October 23, and waived the same institution on November 3. In 1923 he waived appointment to the board of education on April 2, was passed by the police department on April 6, by the fire department on April 6, and by the bureau of engineering on April 9. On the same day he waived appointment to the bureau of parks, waived another appointment on August 19, and waived appointment to the bureau of local improvements on September 6. On May 5, 1924, he waived appointment to the board of education.

The constant use of waivers has practically nullified the system of promotion by competitive examination contemplated by the law. At best the system is now one of pass instead of competitive examination. Relative rank on the promotion list means practically nothing.

The evil results of involuntary waivers are very great. There remains in the mind of the employee a sense of injustice which is renewed and strengthened by repetition of requests to waive. A feeling of hopelessness and despair takes possession of him as he sees others advancing while he is forced to waive one opportunity after another. In many cases the disappointment creates a sense of personal injury which makes impossible friendly relations with fellow employees and a sense of personal isolation is added to the sense of injury.[1]

The mischief which may be anticipated in greater or less measure if attention is not given to methods of promotion includes therefore:

[1] For further information on the waiver problem consult the author's *Conditions of Municipal Employment in Chicago* (1925).

1. Absence of equal opportunity as between employees in different departments.
2. Promotion of less capable over the more capable.
3. Promotion on basis of irrelevant motives as personal friendship, political influence, etc.
4. Inadequate opportunity as compared with industry or with well organized governments.
5. Loss of initiative of potentially alert employees.
6. General dissemination of irritation among all employees.
7. Cultivation of cliques and currying of favor.

It should be the purpose of a well considered plan of promotion to eliminate these threatening dangers and substitute a sense of fair play by guaranteeing promotion so far as possible to the most efficient and worthy employees.

2. The Area of Promotion.

Important questions arise in connection with the area from within which choice for the higher positions is to be made. In general the correct principle would seem to be that all employees in the next lower grade performing duties which qualify them to assume the higher position should be entitled to compete, waiving for the moment the question whether outsiders should be allowed to compete. But the greatest variety of opinion exists as to whether certain persons qualify for the next higher grade. Among certain circles of employees there seems to be a jealousy of their opportunities which denies any one not in the bureau concerned the right to compete. The Chicago classification assumed that departmental barriers to promotion had been swept away; they have, in fact, been restored, informally but with considerable rigidity, by the insistence of the employees themselves.

In New York City, promotion examinations are limited to persons serving in lower but corresponding positions to those for which examinations are held, and to employees serving in the department, and in some cases in the subdivision in which the vacancy exists. In no case is eligibility extended to several city departments under different appointing officers.[1]

In order to equalize opportunity for promotion it seems desirable so far as possible to pool the services of the different de-

[1] T. C. Murray, "Promotion in the Public Service," *Annals*, vol. 113, pp. 352-57 (1924).

partments. Wherever standardized work is concerned, such as stenography, filing, multigraphing, accounting, medical service, or even bacteriological analysis, the peculiar conditions of any one department can be readily learned by trained persons. The city derives the benefit, if these services are pooled, of allowing free access for its most capable employees to the key positions involving responsibility for direction and supervision. But wherever the work becomes highly specialized, the potential area of selection rapidly narrows. Little justification can be seen, however, for setting up departmental lines as such, as insuperable barriers to promotion. The important test is the similarity of the duties of the lower and the higher position.

In cases in which the duties of the higher position are to supervise technical work, such as building inspection, some one familiar with the technique is needed. In cases in which the duties are general, however, knowledge of the special lines of work may count for comparatively little as compared with general acquaintance with departmental organization and methods, and a penchant for administration. The widest possible area of selection seems desirable here. In general it is to be observed that the wider the area of selection, the sharper the competition and the better the ultimate choice.

The limitation of selection along departmental lines is really a special case of a larger problem, which raises the issue, should the higher positions be filled by promotion from within the service or by original recruitment from without? In the first case the promotion system is called closed, in the second open. The question is cardinal on account of the superior importance of the positions to which promotion leads. "The higher positions, though few in number, are important beyond the measure of their numbers. The degree of economy and efficiency with which the public service is conducted largely depends on them."[1] It is significant also because of the leading rôle played by them in stimulating the efforts of subordinates who look forward to the day when they also will become chief clerks or even bureau heads.

The tendency in the classified civil service is strongly toward a closed system. The Chicago rule illustrates the prevailing

[1] John A. McIlhenny, "Merit System and the Higher Officers," *Am. Pol. Sci. Rev.*, vol. 11, pp. 461-72 (1917).

case. "Promotion examinations shall be held when the next lower rank . . . contains two or more eligible persons desirous of taking examination. Should not more than one eligible candidate register, or should all candidates fail to pass, an original entrance examination shall then be held." [1] The police and fire services are absolutely closed so far as the classified positions, including deputy superintendent of police and assistant fire marshal, are concerned. Although the United States Civil Service Commission has taken the position that the decision to resort to general competition for promotion lies in the hands of the appointing officer and there is no formal requirement favoring selection from within prevailing practice is in favor of the closed system. The Public Health Service, the Consular Service, the Coast and Geodetic Survey and the Postal Service are closed services, by law or executive order. The Reclassification Commission recommended that when vacancies in the higher positions are not filled by transfer or reinstatement, they be filled by promotion of properly qualified employees as determined by competitive civil service examination, and that ordinarily open competitive examinations be held only when three such eligibles cannot be secured from those already within the service.[2]

The most comprehensive discussion of the issue between open and closed services is to be found in Mayers.[3] After pointing out that the real issue is the extent to which it may be desirable to restrict selection to those within the service rather than to open it to a general competition in which they are obliged to compete with those outside the service, he goes on to say, "The obvious reason why the restriction of selection to those within the service may be urged as a matter of principle is that it increases the opportunity for advancement within the service, and still more, that it gives those in the service a definite assurance that under given conditions advancement will come. The anticipated results in terms of a better class of personnel recruited and retained in the lower ranks, and a better morale, are obvious." [4] The objection to the closed service is that it deprives the government of brilliant administrators who failed to secure their early training in the government, and, by ensuring protection against

[1] Rule V, sec. 2.
[2] Report of the Reclassification Commission, p. 124.
[3] Mayers, *Federal Service*, ch. 8 and 9.
[4] *Ibid.*, p. 216-17.

outside competition, tends to stagnation and conservatism, and the formation of a "bureaucracy." It will be granted that from time to time the appointment of capable and courageous men from outside has performed a needed service which could hardly be expected from the professional civil servant.[1]

With regard to these arguments, Mayers writes, "But against the resulting loss of individual efficiency (i.e. the outside administrator) is to be set the increased efficiency, due to better morale and greater incentive, displayed by the rank and file of the service, and the intermediate officers," and again, "It should always be borne in mind that the occasional injection of directing personnel from without represents a merely sporadic attempt to cure a condition which is capable of prevention. Where a proper incentive to efficiency and to progress exists throughout a service, and such central control and supervision as will expose . . . . unprogressiveness or incapacity of the directing personnel as soon as it appears, it is perfectly possible to prevent stagnation at the top from developing." Mayers's own conclusion is, "The guiding principle would seem to be that selection should be restricted to those in the service unless it is made to appear that a substantially better class of service will be obtained by resorting to general competition."[2] Where the training for the higher positions is naturally and readily acquired by the employee as he progresses from one grade to another, and where the general conditions of employment are such that good native ability is recruited in the lowest grades, this solution seems to be sound. In those services or for those positions in which a general education or special technical training is not so acquired, it may be desirable to recruit from outside. Judgment on the basis of observation of current conditions is obscured since the competition for the higher positions today in a closed service takes place between employees who entered the service ten, fifteen, or even twenty years ago, when conditions of employment may have been unfavorable to the selection of young men of high innate ability.

The British civil service makes a sharp distinction in recruiting for the highest administrative positions and for the lower positions. The so-called administrative class (formerly first

[1] This has been distinctly true in the installation of the systems of fiscal control described in an earlier chapter.

[2] *Ibid.*, p. 220.

division clerks) comprise about 450 officials recruited by special examinations based on the Oxford and Cambridge honors courses. The theory of this special examination rests not merely on the assumption that the highest administrative officials should be "gentlemen," but also on the belief that their duties require "a wider and more cultivated view of public affairs" than ordinarily arises out of the purely clerical routine of the ordinary clerkships.[1]

> The performance of routine duties is not only not a good training for the higher posts of the service, but, as a rule it is a bad training, and the state would, in my opinion, act very foolishly if, with the whole world to choose from, it contented itself with the very moderate material for the higher posts in the service, which the lower division can supply.[2]

The demarcation between the administrative class and the executive class (formerly second division clerks) has been modified since the war, but the general situation remains unchanged. From the present point of view, the British practice is of interest as an attempt to secure the qualities of brilliance and sustained power in administrative leadership by an original selection at the age of twenty-two to twenty-four, on the basis of university training, rather than by demonstrated capacity in the lower routine positions. Under British conditions, the plan has produced a remarkable succession of administrators, both for the home, the colonial, and the Indian services. It has undoubtedly had a depressing influence, however, upon the abler second division men.

Another aspect of the same problem is found in the proposal to pool the employment opportunities of different jurisdictions. Thus the recommendation was recently made to pool the federal, state, county, city, and park classified positions in Cook County, Illinois. Every metropolitan area affords a similar opportunity for the interchange of personnel. On a slightly different plane, it should be feasible to pool some branches of county services throughout a given state, at least such as accounting and auditing. On a larger scale, much could be said for the interchangeability of personnel in the state police forces which are now developing.

The proposal is not novel except in its applications. The

[1] *See* Robert Moses, *The Civil Service of Great Britain*, p. 168 (1914).
[2] *Ibid.*, note, p. 169, quoting a permanent head of department.

teaching profession, even in public school systems, recognizes few jurisdictional boundaries. State certificates allow a teacher to move from county to county, from city to city, as opportunity calls. The city manager positions are for the most part open to nation-wide competition, and the careers of several managers illustrate well the advantages which come both to cities and to managers from this situation. The advantages to be expected from such an innovation are the broadening of opportunity to young men and women, the provision of wide competition, and the foundation of a career. No larger number of first class positions is created, of course; but the pooling of all similar positions in a state or national competition gives ability and talent the essential chance to come to the front, which otherwise is lacking. The difference is well illustrated by comparing the attractiveness of the position of chief of police in an Indiana city of 5,000 population envisaged as the apex and culmination of an official career, with its attractiveness as one step in a ladder which might lead on the basis of demonstrated ability, to the position of chief of police in San Francisco, Chicago, or New York. Sooner or later if American administration is to be made really effective, large sections of it must be opened up to state or national competition by the simple elimination of provincial rules requiring local residence. If this can once be done, it will terminate the necessity of introducing from time to time, business men or others who are unfamiliar with the conditions of public administration.

3. The Basis of Promotion.

Assuming that for the most part promotion in the public service is on the basis of a closed system, it remains to inquire on what precise basis individuals are selected for the higher positions. Four methods of selection have been used either alone or in varying combinations. They include the unrestricted selection of the superior officer, seniority, competitive or pass examination, and efficiency or service ratings. No single method has proved itself wholly satisfactory, and much study and experimentation are needed to adjust the methods of promotion to the needs of various situations.[1]

The formulation of methods of promotion which will be highly

[1] For the federal rules, see Mayers, *op. cit.*, ch. 8.

accurate in selecting the best qualified employee is as difficult as it is important, for the promotion of the less competent at the expense of the more competent seriously undermines morale and gravely compromises the responsible administrative official in the judgment of his subordinates. On the other hand the excuse for making mistakes is less than in the case of original recruitment, because the actual records of the employee are known with a reasonable degree of accuracy.

(*a*). *Seniority.* Employees themselves tend to prefer seniority as the basis of promotion. Seniority eliminates discord among their number and diminishes the occasion for the formation of cliques; it is certain, however slow; and it is relatively immune from political interference. It is further defended on the ground that the length of service is a proper criterion of competence. Older employees, it is said, lose their skill in passing examinations, although their actual usefulness in an office may be much greater than that of a young man, clever at writing answers to questions. There is an undoubted element of truth in this statement. These arguments naturally commend themselves to the older, rather than the younger group of employees. The objection to reliance on seniority alone is that it takes no account of the young and exceptional employee who ought to be advanced rapidly for the good of the service. Promotion by seniority, in a closed system, also assumes that all employees below a superior standard will be progressively eliminated before they reach responsible positions.

> If the standards of entrance are high, and raise at least a presumption of capacity for promotion, selection by seniority, with proper safeguards, may be resorted to; but if the conditions of the service require that large numbers of subordinates must be recruited who do not necessarily have to possess qualifications for advanced responsibility, such a system could only be disastrous. . . . This tradition of seniority in promotion perhaps flourishes most in those departments which have gained a reputation for stagnation and inefficient administration.[1]

Seniority is seldom relied upon, in fact, except in combination with other factors. In the Chicago promotional ratings it is usually given a weight of one out of ten points. In general it is given progressively less weight as the scale of positions is ascended.

[1] Mayers, *op. cit.*, pp. 320-21.

(*b*). *Service ratings.* Much effort has been expended in the last twenty years in perfecting efficiency records, or better, service ratings.[1] So much difficulty has been experienced in securing accurate ratings that many personnel managers despair of their usefulness, and prefer to trust the judgment of superior officials. On the other hand, it is pointed out that these officials must use some kind of a standard in evaluating the usefulness of their subordinates, and that every effort should be made to eliminate irrelevant items from their judgment and to objectify so far as possible their conclusions. No one is satisfied with the results thus far achieved, but the more optimistic hope to press forward to a plan which will record the relative efficiency of employees with substantial accuracy.

The problem of measuring efficiency varies enormously from the comparison of relative output in lines of work where it can be accurately counted, such as the operation of punch card machines, the counting of redeemed bills, and the like, to the comparison of the highest forms of administrative leadership.[2] Obviously no one system of service ratings can possibly be adequate for such enormous varieties of "efficiency," and yet the attempt has been made more than once to rate all officials and employees on the same scale.

The early literature of scientific management recognized but did not develop the idea of rating employees. Taylor in his pioneer paper, "Shop Management," repeats a statement written by him in 1895 with reference to the Midvale Steel Works, "A careful record has been kept of each man's good points as well as his shortcomings, and one of the principal duties of each foreman was to make this careful study of his men so that substantial justice can be done to each."[3] In 1906 F. H. Hitchcock, First Assistant Postmaster General, proposed a new salary plan in connection with which he announced the principle that promotions should be made only on satisfactory evidence of efficiency. "To avoid any injustice in reporting efficiency the records should

[1] For tests in industry, consult C. M. Sheaffer, "Efficiency Tests of Pennsylvania Railroad Personnel," *Journal of Personnel Research*, vol. 3, pp. 244-51 (1924); C. S. Yoakum and M. A. Bills, "Tests for Office Occupations," *Annals*, vol. 110, pp. 61-73 (1923).

[2] *Cf.* the "output" of an astronomer in the Naval Observatory of an examiner in the Patent Office with the output of a stenographer or check writer. The student may profitably examine critically a rating form for policemen in *City Manager Magazine*, May 1923, p. 19.

[3] *Shop Management*, p. 182-83.

be as definite in nature as conditions will permit." [1] The system was installed in all city delivery post offices by 1909, and provided for ratings of clerks and carriers as to speed and accuracy, conduct, attendance, and knowledge, the latter measured by examination. The "best man" was otherwise used as the standard. With modifications, the system is still in effect.

In 1914 an efficiency rating system was installed in Chicago based upon ability, activity, economy, and reliability. The rating forms were worked out with the cooperation of an employees' committee, and at first were highly praised. Their administration suffered, however, after 1915 and they are not thought now to have much significance. Much attention has been given to rating teachers.[2]

The Army rating scale, developed during the World War, used a man-to-man comparison scale, in which each individual to be rated is compared in regard to various given qualities with a number of individuals who possess these qualities in varying degrees.[3]

On this scale every officer in the army below the grade of brigadier general was rated in regard to the possession of physical qualities, intelligence, leadership, personal qualities, and general value to the service. With respect to each quality each officer charged with the task of rating his subordinate officers was instructed first to select five men of equal military rank, one possessing it in the greatest possible degree, one lacking it entirely, one possessing it in moderate degree, one ranking midway between this average man and the man selected to represent the maximum point, and one midway between the average man and the man lacking the quality entirely. Numerical valuations for each quality ranged from three to fifteen points. When the five men were selected the officer charged with rating his subordinates then possessed a yardstick against which he could measure them in terms of that specific quality. The total rating

[1] *See Annual Report*, 1905, 1906.

[2] *See* for characteristic literature, E. B. Cubberley, *Public School Administration* (1916); J. H. Johnston, "Scientific Supervision of Teaching," *School and Society*, Feb. 17, 1917; H. P. Rugg, "Self-Improvement of Teachers Through Self Rating," *Elementary School Journal*, May, 1920, and "Is the Rating of Human Character Practicable," *Journal of Educational Psychology*, Nov., Dec., 1921, and Feb., 1922.

[3] *See The Personnel Manual* (1919), ch. 12, and compare Henry W. Shelton, "Mutual Rating," *Bulletin of the Taylor Society*, vol. 5, no. 2, pp. 59-67 (1920).

given to each man was the sum of the ratings given in the five separate qualities.

To remedy the defects of the Army scale members of the Scott Company originated in 1920 what is known as the graphic rating method.[1] In one form the graphic rating scale is a sheet or card so printed that the executive can indicate his judgment of the subordinate in each important quality by entering a check mark at the proper point on a horizontal line, one end of which represents the maximum degree in which anyone can possess that quality. The intermediate steps are indicated by words and phrases pertaining to the quality itself. Such general phrases as excellent, good, and average are avoided wherever possible. One of these scales is given to the executive for each subordinate whom he is to rate. He indicates his opinion of him in the several important qualities by entering check marks along the several lines somewhere between the minimum and maximum. The scales are then scored by stencil in the personnel department, and the scores given statistical treatment to allow for individual rating tendencies.[2]

Procter praises the rating system used by the municipal Civil Service Commission of New York. It is used to rate three times annually the competitive personnel excepting the uniformed force of the police and fire departments. The system recognizes three positive factors of efficiency: quality of work, quantity of work, and personality, and two negative factors for which deductions are made, unexcused lateness and absence, and misconduct. Quantity and quality of work may each be given a maximum rating of forty-four per cent, personality twelve per cent; a standard rating is fixed at thirty-five and ten per cent respectively, and under ordinary circumstances, sixty per cent of the employees of a large unit must be rated standard, thirty-five per cent above standard and five per cent below standard.[3]

An interesting illustration of the hazards which beset the way of efficiency raters is reported by the Taft Efficiency and Economy Commission.[4] The National Bank Redemption Agency

[1] D. G. Paterson, "The Scott Company Graphic Rating Scale," *Journal of Personnel Research*, vol. 1, pp. 361-76 (1922-23).
[2] Scott and Clothier, *Personnel Management*, p. 212 (1923).
[3] Arthur W. Procter, *Principles of Public Personnel Administration*, pp. 164-66 (1921).
[4] House Doc. 1252, 62nd Congress, 3rd session (1913), pp. 757-798.

employs a number of women who sort, count, and strap redeemed bank notes. The work is mechanical and an efficiency rating was established as early as 1892. It comprised the following items and weights.

Punctuality	100	3	300
Attendance	100	4	400
Accuracy	100	5	500
Industry	100	6	600
Ability	100	7	700
		25	2500

The items were reckoned in the following manner. For the first tardiness, a deduction of one point, for the second, two, etc., from the base of 100; for every day's absence, on account of sickness or otherwise, a deduction of 3.33 points; accuracy was measured by various devices; industry was a rating given by the chief of the bureau; ability was determined by a test held in January of each year and arbitrarily set within limits having no greater variation than ten points.

The commission, although granting that this was one of the best plans they had discovered, criticized it severely, pointing out that the five elements employed were not a correct analysis of efficiency, that much too great emphasis was placed on punctuality, attendance, and industry, and that there was insufficient range in the rating of ability. The weight given to elements other than ability was so great, as the commission demonstrated, that a mark of zero in ability would not bring a clerk below the passing grade if she were punctual, regular in attendance, made no mistakes, and appeared to the bureau chief to be busy. A clerk who was absent nine days on account of illness was rated for the month the least efficient of all; but her average disposition of notes per day when she worked was nearly one thousand greater than her nearest competitor.

It might be supposed that in as homogeneous a service as police, efficiency records would be relatively well established. But Fosdick writes,

> In no city in the United States is there a real efficiency record system which gives systematic credit for the accomplishment of good every-day police work. Wherever a thorough going efficiency record system has been attempted, to record currently the positive factors of a man's

work, it has fallen into disuse or has been carelessly kept after an initial trial.[1]

The four major embarrassments involved in service ratings, to use the preferred term, seem to revolve around (1) the selection of the right criteria to measure efficiency, (2) the assurance of accurate judgments in relation to these criteria, (3) the continued cooperation of busy administrators in handling the records, and (4) the attitude of the employees. A paragraph will be devoted to each of these topics.

The fundamental weakness of service ratings, other than the simplest mechanical forms, is that too little is known of the human traits which are conducive to efficiency in given lines of work. The same problem faces the civil service examiner, the vocational guidance "expert," and the efficiency rater in the selection of the criteria to be dealt with. As a result there has been a resort to vague and comprehensive terms such as ability and personality which in effect mean very little when put at work in concrete situations. Quantity of output is not measurable in the supervisory positions at all, and many times equally unmeasurable among the rank and file. Quality of output is seldom subject to any accurate measurement in the public service.

This fundamental weakness lies at the root of the difficulty in securing accurate ratings. But other obstacles also intervene. "Yet it seems clear," writes a competent worker in the field of rating, "that an imperfect mechanism is not the chief source of unreliability in ratings. It is rather the lack of acquaintance of raters with the persons they are rating, or their failure to analyze and report carefully and accurately what they do know about them." Moreover, in any large organization no one person can rate all the employees, and the use of many raters introduces the error of variation in the standards used by each.[2]

Some rate uniformly high, others low, some tend to gravitate toward the median, underestimating the brilliant and over-estimating the stupid. The "acquaintance factor" has been found to vitiate the accuracy of ratings.[3] Thorndike calls attention

[1] Raymond B. Fosdick, *American Police Systems*, p. 280 (1920).

[2] *See* Forrest A. Kingsbury, "Analyzing Ratings and Training Raters," *Journal of Personnel Research*, vol. 1, pp. 377-83 (1922-23) and "Making Rating Scales Work," *Journal of Personnel Research*, vol. 4, pp. 1-6 (1925).

[3] F. B. Knight, "Effect of the 'Acquaintance Factor' upon Personal Judgments," *Journal of Educational Psychology*, March, 1923.

to the "halo factor," by operation of which a rater's general estimate of another individual seriously affects the rating of specific traits.[1] One can readily agree with Kingsbury's conclusion that the raters need careful preliminary training.

Experience with service ratings indicates that there is a constant tendency to allow attention to flag after the initial interest has passed. The main issue is the function which the bureau administers, and personnel matters are necessarily subsidiary. Claims of personal friendship gradually creep in, making the rating officer reluctant to discriminate and cause "bad feeling." Little use is made of the records in whatever central office they are deposited, and the idea spreads that they really count for little; this notion leads to carelessness and neglect in their preparation, which completes a vicious circle. A new administration may come in with a program which disregards the service ratings, and then conscientious supervisors frankly refuse to put their subordinates under the differential handicap which a real efficiency mark would impose.

This process of deterioration is hastened by distrust on the part of the employees. In general it is fair to say that the employees have had little confidence in formal service ratings. Various attempts have been made to create a more sympathetic attitude but without complete success. Thus employees have been invited to assist in formulating the system of efficiency records, full opportunity has been given each individual to see his own rating, and sometimes an appeal has been allowed for review of the ratings by an independent agency.[2] The feeling remains widespread, however, that service ratings are not a fair reflection of the real usefulness of the employee which is alleged to be far too subtle a thing to be caught within the four corners of any formal rating.

In view of the many and serious shortcomings of service ratings, it is not easy to disagree with Mayers in his conclusion, "An

[1] E. L. Thorndike, "A Constant Error in Psychological Rating," *Journal of Applied Psychology*, March, 1920.

[2] With regard to an appeal Mayers writes, "That many of the most deserving employees hesitate to resort to a board of this kind in antagonism to their superior officers is the least of the objections to this procedure. Its radical defect is that it sets at naught the whole principle of administrative responsibility. For an administrative superior to be placed upon the defensive as against his employee, and for the employee to be the victor, and for the two to continue in the relation of employee and superior is a result to be avoided at all costs." *Federal Service*, p. 331.

efficiency record system, which by periodic percentages or other quantitative ratings, attempts to determine mechanically the person who shall be selected for promotion, while theoretically attractive, presents such great difficulties in actual operation that over most of the service it cannot be relied upon to select for promotion the employees actually most fit." The use of an efficiency record is not, he believes, to reduce the element of personal judgment, but to help to eliminate from that judgment all factors not properly entering into or influencing it. On the other hand, the invaluable aid which a sound service rating could render, directly and indirectly, to nearly all phases of personnel management impels constant efforts to construct better systems than have yet been made available. Progress will probably be made in further analysis of the characteristics of efficiency, and in the differentiation of means to deal with its different phases, with a constant effort for simplicity and clarity.[1]

(*c*). *Promotional examinations.* Outside the federal administration chief reliance is placed on examinations as the criterion of relative capacity for promotion. These examinations relate to the duties of the vacancy to be filled and are usually so designed as to require rather specific knowledge of its requirements.[2] This in itself tends to give a decided advantage to those already in the service, and especially those serving in the next lower grade. In many cases as already observed there is a specific limitation to employees of this grade.

Although superficially a well constructed examination would seem to be a reliable indication of relative merit, and is, so far as knowledge of duties is concerned, it must be borne in mind that the higher one goes in the official scale the less specific knowledge counts and the more capacity for administration is

[1] The Joint Commission on Reclassification reported that there seemed to be considerable doubt as to the usefulness of federal efficiency ratings, both among administrative officers and employees. "It is convinced, however, that the measurement of individual efficiency is absolutely essential to insure just treatment of the employee and a fair return to the government. . . . The actual determinations of the ratings of individual employees should be left to administrative officers in the organization concerned, but all ratings should be forwarded to the civil service commission and should be subject to its review and final approval." *See also* National Assembly of Civil Service Commissions, *Report of the Committee on Efficiency Records* (1916); National Civil Service Reform League, *Proceedings*, 1909, "Efficiency Ratings in Promotion"; W. D. Scott and R. C. Clothier, *Personnel Management* (1923); U. S. Postmaster General, *Annual Report, 1905, 1906.*

[2] A typical provision is, "All examinations shall be practical in character and deal with the duties and requirements of the position to be filled."

needed. It is exactly at this point that it is essential to know what character traits, if any, are significant of the good administrator and how they may be discovered. An examination which could bring out the possession of these qualities of character and of mind and at the same time demonstrate the essential minimum of knowledge would have a most useful predictive value.

Mayers urges the use of competitive examination only where large numbers of subordinate employees are all eligible for promotion to a higher grade, itself minor. Even here he believes that selection by competitive examination is at best unreliable and needs to be qualified by the consideration of efficiency records, while in the more important promotions he thinks that a written competitive examination is wholly unsuitable.[1] The National Civil Service Reform League, on the other hand, recommended in 1910 that the competitive examination be given at least a weight of 50 per cent. The Joint Commission on Reclassification asserted that the only fair method of determining who are best qualified is by examination and recommended that appointment to the higher classes be made only as a result of competitive examination.[2] The issue turns chiefly on the selective value of examination for the higher positions, concerning which there has always been a difference of opinion.

(*d*). *Unrestricted discretion of appointing officer.*

"The ideal system," wrote a former secretary of commerce, "is one in which political, personal, and social influences are entirely eliminated, thereby insuring promotion solely on merit; and the purpose of any system should be to guide in determining who of a number of employees excels in special qualifications or general efficiency. A scholastic examination does not appear to be a means to this desirable end. It is well enough to provide a scholastic test for entrance to the service, but the conditions within the service call for an entirely different test for promotion. Employees work under the direction and observation of chiefs of bureaus and divisions; their capacity, efficiency, and resourcefulness are observed and judged by them, and in the final analysis their rights to advancement should be wholly determined by the opinions of these supervising officials, provided always that such opinions are judicious, well informed, and conscientiously reached. . . . It is not believed that any sort of mechanical and self-operative method of promotion could be devised, or any set of rules established, which

[1] Mayers, *op. cit.*, p. 335.
[2] Report, p. 124.

could possibly take the place of the discretion, fairness and knowledge of the chief of a bureau.[1]

This quotation probably represents the normal view of the higher administrators. It does not represent the view of the rank and file, who believe that Secretary Nagel over-rates the character of the recommendations of bureau chiefs, reliance upon which, they believe, would make such a breach in their rights as to necessitate at least the corrective of other factors such as seniority, efficiency or examination. Three general situations have to be reckoned with in choosing to regulate promotions at the will of bureau chiefs, (1) the likelihood that political or personal cliques will be stimulated and attempt to control the fate of individuals, (2) the danger that bureau chiefs will themselves be the victims of personal bias and predilections, (3) the danger that there will develop irritating differences in the procedure and rate of promotion in different bureaus.

If guarantees can be developed which will eliminate the operation of cliques, which will satisfy the personnel of the essential fairness of the recommendations of bureau chiefs, and which will ensure substantial equality of treatment in different sections of the administrative organization, very much can be said for this solution. It is direct, simple, inexpensive; it places responsibility clearly; and it retains that responsibility within the operating department, where it is thought it should rest. But it is probably applicable chiefly to small offices and small organizations, and is likely to be accepted more readily the higher the position in the official scale.[2]

None of the four possible bases of promotion, seniority, service ratings, competitive examination, and official discretion are uniquely or universally applicable. Some combination of two or more, adapted to the general political and administrative environment, to the number and character of the candidates, and to the nature of the position, may be presumed to give the most satisfactory results. The precise combination must be worked out by the responsible administrator.

[1] Charles Nagel, quoted in *Annual Report*, U. S. Civil Service Commission, vol. 27, p. 139 (1910).

[2] California has a unique rule, reading, "The recommendation of the appointing power, with reasons for the recommendation, shall be a factor in all promotional examinations, and shall be given a rating to be determined by the executive member of the commission." Rules and Regulations (1922), p. 20.

4. Other Phases of Movement of Personnel.

Brief notice must be taken, in concluding this chapter, of certain other phases of movement of personnel in the public service, especially transfer and reinstatement. Removal and retirement will be considered in succeeding chapters.

Transfer of personnel may or may not involve a change of duties and rank, but usually a change of either duties or rank is implied. Reassignment is the term commonly used to imply merely a shift to a new desk. Transfer, therefore, may come to resemble promotion, and the legislation of Congress, prior to the classification act of 1922, seemed to be based primarily on the idea that transfer was a surreptitious method of securing promotion contrary to the good of the service. The legislation and the rules of the Commission formerly provided:

1. That no lump sum appropriation should be available for the payment of personal services at a rate in excess of that paid for the same or similar services during the preceding fiscal year. (37 Stat. at L. 626; 1912.)

2. That no person employed at a specific salary should be transferred and paid from a lump sum appropriation at a higher rate. (37 Stat. at L. 626; 1912.)

3. That it should be unlawful for any employee in the classified service to be transferred from one department to another department until he had served for three years in the department from which he desires transfer. (34 Stat. at L. 449; 1906.)

4. That no civil employee in any of the executive departments or establishments who has been employed within one year next preceding his proposed employment shall be employed and paid from a lump sum appropriation at an increased rate of compensation. (Urgent deficiency appropriation act, October 6, 1917.)

5. That no civil employee who has been employed within a period of one year next preceding his proposed employment in any other department shall be granted an increase in compensation within the period of one year following such re-employment. (Urgent deficiency appropriation act, October 6, 1917.)

6. That no civil officers, clerks or employees in the field service should be detailed for duty in the District of Columbia, except temporary details connected with their respective offices. (34 Stat. at L. 449; 1906.)

7. That no transfer shall be made to a competitive position above the lowest class in any grade unless the appointing officer shall certify that the position cannot be adequately filled by promotion. (Rule X, sec. 1).

8. That no person shall be transferred from an excepted position to a non-competitive position. (Rule X, sec. 2.)

These laws and rules made transfer between departments and independent establishments practically impossible, although they had no effect on transfer from bureau to bureau within the departments.[1] The illogical organization of departments made the operation of the rules even more vexatious. The purpose of the law was to prevent an employee from securing a higher salary for the same kind of work by transferring from a department with a low scale of salaries to a department with a higher scale, and during the war to protect the older departments from the competitive raids made by the newly established organizations with decidedly higher rates of pay.

Transfers as such are not objectionable; indeed, the good of the service may demand frequent transfer of men from post to post, in different departments. The real evil at which Congress was aiming was the unbalanced and indefensible rates of pay in the service for which it was itself responsible. Instead of reforming its own handiwork, however, it sought to impress artificial and harmful restrictions upon the administrative departments and officials.

The Reclassification Commission pointed out that the existing rules tended to make the entire service immobile and had imposed real hardships on the more experienced and efficient employees. They suggested that the adoption of a uniform duties classification and salary standardization would do away with the temptation for inter-departmental bidding, and would permit a relaxation of the rules. This has been, in fact, the course of events. By the classification act (section 10) employees may now be transferred from a position in one grade to a vacant position within the same grade at the same rate of compensation, or promoted to a higher grade at a higher rate of compensation in accordance with civil service rules, irrespective of existing statutes.

Reinstatement occurs when a person formerly holding a classified position desires to renew his employment with the government. The occasion for the break in his service may have been a leave of absence, a lay-off, the abolition of the position, and sometimes even resignation or removal. The process of reinstate-

[1] *See Federal Employee*, Dec. 17, 1921, p. 11.

ment is surrounded with certain regulations designed to protect the public service. Reinstatement can be made in the federal service only to the department or establishment from which the person was separated (without delinquency or misconduct), and only within a period of one year.[1] Special exceptions, however, are made for veterans, and for persons holding scientific, professional, or technical positions.[2] There have been cases of marked abuse in Chicago in reinstating men separated from the service for delinquency, but the process itself is a normal phase of personnel management.

[1] Rule IX, Civil Service Commission.

[2] An interesting case of reinstatement is revealed by a letter of President Taft. "I am of opinion that a citizen who resigns to become a candidate for office . . . should not thereby be prejudiced by being refused reinstatement; . . . nor do I think any distinction should be made between the person who resigns and becomes a candidate and one who resigns . . . to manage or take part in a political campaign for a party. If he wishes to run the risk of finding an executive who will reinstate him, and he resigns in order to avoid a violation of the rules as to participation in electoral contests by members of the classified service, I do not see why it should demoralize the service to allow him to resign and run the risk of securing the approval of his reinstatement by the executive within a year after he has resigned." *Cf.* Civil Service Rules and Regulations, Rule IX, Note.

CHAPTER FIFTEEN

DISCIPLINE AND REMOVAL

It is exceedingly difficult to secure from public administration anything like the exercise of the power of demotion or dismissal that conditions in the several services more than warrant.

Lewis Mayers.

In the passage from hierarchical discipline to jurisdictional discipline we shall see one of the most interesting aspects of the slow transformation which tends toward the disappearance of personal power and the development of democracy in the public services.

Gibert, *La Discipline des fonctions publiques.*

1. Introduction.

The assurance of fair opportunity for promotion interests every government employee and official. Relatively few, however, are directly affected by the rules governing discipline and removal, except as all are concerned to have adequate protection against unjust disciplinary action. Promotion and discipline present two sides of the problem of maintaining individual efficiency; in the one case the employee is invited to put forth his best efforts to earn the rewards of higher pay and greater prestige; in the other he is compelled to observe a minimum of efficiency and propriety under penalty of separation from the service.

Discipline is an essential element of every social organization, and by no means least so in the political organizations which wage the great political battles of the country. In public administration discipline is needed as a constant reminder to the indolent, the favorite, the indifferent, and the insubordinate, who are found in small but definite proportions in every large public office. Their presence is only to a certain extent an indictment of the system of recruitment, for the conditions of service may readily bring out attitudes which were dormant at the time of examination. In public administration as elsewhere, fear of punishment is one of the means of ensuring conformity to standards of conduct and efficiency. But from one point of view the public service is an élite, for the record of the candidate for

public employment in the classified service must be clear of offense against the law. Above this minimum standard, however, administrative discipline is called upon to guarantee conduct "becoming to the service," and in theory at least to insist upon certain standards of productivity.

The extent to which disciplinary action is taken for either of these purposes has seldom been made a matter of record. From scattered sources, however, some idea can be gained of the actual employment of disciplinary powers. The annual reports of the United States Civil Service Commission give the number of removals to 1917, when war conditions caused the omission of the information. The number varied from 1571 in 1903 to 10,718 in 1915, and the percentage varied from 1.1 in 1904 and 1913 to 3.6 in 1915. The annual report of the postmaster general indicated that during 1917 .62 per cent of the first and second class postmasters and .59 per cent of the letter carriers had been removed. The New York state civil service commission report for 1921 shows 148 removals in the competitive class of New York municipalities, including New York City, and 4473 removals in the non-competitive class, including laborers. In St. Paul the number of discharges per year varied from sixteen to twenty-two in the years from 1920 to 1924 inclusive. These figures will show that the number of discharges is relatively small, but it must be remembered that they comprise only a small proportion of the cases in which some disciplinary action was taken.

It has often been observed that discipline is lamentably weak in government offices. "It results from this," writes Mayers, "that it is exceedingly difficult to secure from public administration anything like the exercise of the power of demotion or dismissal that conditions in the several services more than warrant. It is open knowledge that many employees who are notoriously incompetent and inefficient are retained on the rolls, though the character of their work is well known by those in charge of them." [1]

Study of the Chicago service revealed a marked variation in the degree of discipline imposed. Comparison of two offices gives an idea of the different conditions which an employee may encounter. In the first case there is constant insistence upon exact

[1] Lewis Mayers, *The Federal Service*, p. 492 (1923).

observance of hours. For every tardiness there is a deduction from the efficiency rating, and bureau chiefs and assistant commissioners are expected to be at their desks at nine o'clock with as great punctuality as their subordinates. Every desk has to be cleared before its occupant can leave the office in the evening. No visiting is allowed between the clerks and stenographers. No one can use the telephone for outside calls not of an official character. No one can read a newspaper in the office, either before or during office hours. Smoking is prohibited, and the men are not allowed to work with their coats removed unless they replace suspenders with a belt. Vacations are not permitted either to an employee or to a bureau head unless the work of the bureau is absolutely up to date. In order to eliminate gossiping, employees are so distributed that the loquacious will be surrounded by the taciturn, friends are separated, and double desks at which two employees face each other have been eliminated. The head of the department walks through the offices from time to time to see that everyone is at work, and if he observes any idlers he calls in the bureau chief for reprimand. Persistent idlers are transferred to other bureaus or discharged. This measure of discipline has, in fact, brought about the transfer or discharge of the less competent and the less energetic, and has also greatly diminished the pressure for jobs from political quarters.

Strict discipline is coupled with a desire to encourage the cooperation of all ranks of the service. Daily conferences are held by the head of the department with his chief assistants and regular weekly conferences are held with all bureau heads. They in turn hold conferences with their subordinates. The employees are encouraged to join a departmental society and are free to approach the head of the department, individually or collectively.

In another office there is an almost complete absence of supervision. The head of the office is seen hardly once a week by his employees, and the secretary pays almost no attention to them. There is no persistent loafing, because there is so much work to be done, but there is no doubt that the full capacity of the staff is not being used.

There is undue noise and confusion, due in part to the number of people desiring attention who appear at the window. But the

clerks within make more noise than those outside, shouting questions at them from across the room and carrying on conversations in loud voices. There is an almost continuous stream of loud conversation, repartee, comments on the weather, persons, politics, and the job. Everybody seems to say whatever comes into his mind for the benefit of the office.

Free telephone service seems to be one of the concomitants of the job. Nearly every clerk uses the phone for private calls from one to six times a day. One junior clerk especially calls up or is called up by girls and carries on long "mushy" conversations daily. One wonders how anyone having business with the city can get a connection.

Time of arrival in the morning varies from 9:05 to 9:30. Employees keep their own time records, but at 9:10 the time sheet is taken up and those who have not signed are given demerits for tardiness. A principal stenographer had eighty-four demerits in one month but no one seemed to pay much attention to them.

The work of the office is very badly behindhand. No reports have been published for five years, and, what is worse, no reports have been prepared for publication. Important records are long out of date, and current work is sometimes months late. Meanwhile important duties which should be undertaken are left untouched. An important member of the staff is a temporary appointee and there is a general belief that political influence is much too great in the work of the office.

One of the most destructive causes for inadequate discipline is political interference. In a case known to the writer, a city employee was suspended pending charges which amply warranted his removal. He immediately called on two aldermen who lost no time in "seeing" the head of the department with the result that the employee was restored to duty without loss of pay. In another case, a number of employees were to be suspended, and before the order had been removed from the typewriter they were in the telephone booths calling their respective backers. In another case, an official holding an important position on temporary appointment was felt to be unfit for his work, but the strength of his political support made it impossible to discharge him. "While some congressmen are able to resist the importunities of their constituents who seek appointment, promotion,

transfer, or the like, it is rarely indeed that a Congressman will not interest himself seriously in the case of a constituent who has been dismissed or reduced or is threatened with dismissal or reduction. Instances are not unknown in which the entire Congressional delegation (both Senate and House) from a state has intervened personally on behalf of a dismissed employe." [1]

2. The Forms of Discipline.

There are a large variety of forms of discipline suited to offenses of varying degrees of culpability. Some of them are wholly informal, others have nearly all the formalities of a judicial trial, but all of them are essentially administrative in nature. In Massachusetts and in some special types of employment as police there is a judicial trial, but this is exceptional. In the following description the forms of discipline are arranged roughly in order of severity, commencing with the lightest penalties.

Discipline may be imposed without any overt indication being given that such is the intent. A common method is to reassign duties, giving the employee a more disagreeable assignment than he has enjoyed. This scheme is much used in police and fire departments where the similarity of work affords ready opportunity for "a shake-up." In Chicago the expressive phrase is used, "He's gone to the prairies," indicating a police assignment to the outskirts of the city. In a large city constant reassignment may be used as a very severe punishment, easily sufficient to drive a man from the service. Ordinarily, however, it is only a gentle reminder that all is not well.

The most common of the lesser forms of discipline is reprimand, usually oral but occasionally written. The offending employee is called up "on the carpet," and given a more or less drastic warning. This gives him an opportunity to state his case, and permits the office head to size up the employee and the situation responsible for his presence. It is precisely at this point that a good administrator clears up difficulties which a careless official leaves smoldering, ready to cause more trouble later. Most disciplinary cases begin in personal maladjustments which can be successfully handled if they are taken before they have become set. Hence the importance of aggressive and tact-

[1] Mayers, *op. cit.*, p. 493.

ful management of the constant stream of petty difficulties that develop in any office.

The demerit system is used in the post office department as a relatively moderate penalty. It is also a part of the Chicago efficiency rating plan, in which a scale of demerits is set up for tardiness, absence without leave, absence on sick leave, and suspension. The demerit plan usually operates through a service rating plan, tending to lower the rating and thus indirectly to delay advancement or promotion, curtail vacation, and the like.

Loss of seniority rights is a fairly common form of discipline. It diminishes or cancels entirely any accrued rights to promotion by reason of seniority. Inasmuch as seniority does not count heavily in most services the penalty is not a very severe one.

The imposition of fines is more serious. This method is used in some police departments, although students of police administration do not favor it for the reason that the burden of the punishment falls on the policeman's family. The money is collected by deduction from the monthly pay check, and is frequently turned over to the employees' pension fund.

Suspension without pay is still more severe, because the stigma is greater. It is frequently the most severe penalty which can be imposed by an official without review. In the United States suspension is limited to ninety days, with privilege of extension, with the consent of the civil service commission, but this is longer than is usually allowed. The Chicago limit of thirty days is more common. Even this permits the head of an office to impose a fine amounting to well over $100, assuming only a rate of $5.00 per day.

A more severe penalty, because the loss of pay is continuous, is demotion or reduction in rank. This method of discipline is not common, although it is clearly indicated as an appropriate method to employ in cases of demonstrated inefficiency. Demotion is a dangerous weapon because it is almost sure to break the spirit of the employee, and to leave him disheartened even though he may recognize the justice of the action.

The most drastic of all forms of discipline is removal with the implication of delinquency.[1] This has the effect of terminat-

[1] The term discharge is used to indicate an involuntary separation without delinquency. *See* Charles Kettleborough, "Removal of Public Officers: a Ten Year's Review," *Am. Pol. Sci. Rev.*, vol. 8, pp. 621-29 (1914).

ing all official connections, and makes it nearly impossible for the employee to hold an administrative position again. Moreover, it extinguishes all rights to a pension which may have accrued, except that the employee's own contributions are returned to him. The penalty is so severe, especially for older men, that it is resorted to only in extreme cases.

The law usually specifies more or less distinctly the reasons for which disciplinary action may be taken. The language may be general, following the model of the federal statute, or specific and detailed as in Chicago. The federal statute reads, "No person in the classified service shall be removed therefrom except for such cause as will promote the efficiency of said service." Somewhat more explicit is the present Illinois law, providing "No employees in the classified civil service of the state shall be removed, discharged or reduced in rank or pay by the appointing officer, except for just cause. The term 'just cause' as used in this section shall mean any cause which is detrimental to the public service other than political, racial, or religious." [1] Many specific causes for removal are enumerated in the rules of the Chicago Civil Service Commission, including the following list:

1. Criminal offense
2. Immoral or criminal act
3. Brutality to inmates or prisoners
4. Wilful violation of civil service rules
5. Conduct unbecoming an officer
6. Insubordination
7. Intoxication
8. Incapacitated by disease
9. Wantonly offensive toward public or city officers
10. Lobbying
11. Incompetent
12. Negligent of property of city
13. Failure to pay debts
14. Soliciting money to give to public officer
15. Receiving bribe
16. Absent without leave.

3. The Agency to Impose Discipline.

The general rule prevailing in the federal administration places the duty of imposing discipline upon the heads of the depart-

[1] The rules of the federal Civil Service Commission prohibit "discrimination for political or religious reasons." Rule XII, section 2.

ments and establishments. In the larger units this is declared by Mayers to have unsatisfactory results. "One of the factors militating against a proper use of this power at the present time, consists in the fact that in the federal service the power of removal is vested, for the most part, in the head of the department rather than in the bureau chief. . . . The net result is a system of circumlocution and delay in handling questions of reduction and removal which is one of the distinguishing defects of the federal personnel system." [1]

In some jurisdictions the power of removal is vested concurrently in the head of the department and the civil service commission or other central personnel agency, the latter to act, however, only upon the complaint of a citizen. This arrangement would affect only employees who come in contact with the public in some way, but is said to have been found very useful. In Chicago and some other jurisdictions the power of removal is vested in effect in the civil service commission alone. The merits and disadvantages of this plan will be discussed in the following section.

In case of discipline other than removal, full power is usually vested in the appointing authority with reference to the classified as well as the unclassified service. This point is not always recognized, but even in Chicago the responsibility for discipline lies squarely upon the head of the department. Quite apart from formal charges, a department head has adequate authority to enforce discipline. Indeed, formal charges ought seldom to be necessary. Employees can be reprimanded, laid off in time of slack work, and suspended for thirty days, to say nothing of the variety of informal means which are always at hand. In the federal service the power of the administrative officer to dismiss and reduce an employee is, throughout the service, for practical purposes, as untrammeled as that of the business executive.[2]

4. The Right of Review.

The important issue in the procedure of discipline concerns the right of review of the action of a department official by some independent agency, usually the civil service commission. Dramatic battles have been fought to secure this right, and

[1] Mayers, *op. cit.*, p. 493.

[2] *See also Annual Report*, New York State Civil Service Commission, vol. 39, p. 19 (1921).

equally dramatic contests have taken place before the reviewing bodies. After many years of experience, opinion is still sharply divided on the wisdom of this phase of disciplinary methods. The present discussion will describe the extent of review in several typical jurisdictions and will then present the leading arguments on both sides of the case.

The federal law and rules vest substantially no power of review of matters of discipline in any authority outside the department. The Act of August 24, 1912, formulates the prevailing practice.[1]

> No person in the classified service of the United States shall be removed therefrom except for such cause as will promote the efficiency of said service, and for reasons given in writing, and the person whose removal is sought shall have notice of the same and of any charges preferred against him, and be furnished with a copy thereof, and also be allowed a reasonable time for personally answering the same in writing and affidavits in support thereof; but no examination of witnesses nor any trial or hearing shall be required except in the discretion of the officer making the removal; and copies of charges, notice of hearing, answer, reasons for removal, and of the order of removal shall be made a part of the records of the proper department or office, as shall also the reasons for reduction in rank or compensation. . . .

The rules of the commission add that like penalties shall be imposed for like offenses, and an opinion of the Attorney General sustains the authority of the commission to investigate alleged violations in this instance. The rules provide explicitly, however, that "The commission shall have no jurisdiction to review the findings of a removing officer upon the reasons and answer provided for in section one of this rule, nor shall the commission have authority to investigate any removal or reduction, unless it is alleged, with offer of proof, that the procedure required by section one of this rule has not been followed or that the removal was made for political or religious reasons.[2]

The courts take a clean cut stand on the question.

> The commission has no jurisdiction to investigate the sufficiency of the reasons of a removal or reduction alleged to have been made without due cause. Whether or not the reasons are sufficient is a question for final determination by the appointing officer, and cannot under

[1] 37 Stat. at L. 555.
[2] Rule XII, Section 4.

existing law and rules be made the subject of appeal to or inquiry by the commission.

The courts have no jurisdiction to review the action of an appointing officer in removing an employee. . . . The civil service act limits the power of removal in no respect, except for the single cause of failure to contribute money or services to a political party. An employee's fitness, capacity, and attention to his duties are questions of discretion and judgment to be determined by the heads of departments. Such questions are beyond the power of any court.[1]

The actual practice in the post office department is indicated by the following quotation from the annual report for 1917: "Reduction and removals are not made by the department until after the most searching investigation and careful consideration of all of the facts. When charges are preferred against an employee they are referred to the field for a thorough investigation. . . . If the inquiry develops that there is basis for the charges, the employee is, in accordance with the act of Aug. 24, 1912, furnished in writing with the substance of the charges and afforded every opportunity to submit his defense. The investigating officer represents the employee as well as the department . . . when forwarding the case to the department the action recommended must be based solely upon the facts disclosed by the investigation. Upon receipt of the papers at the department they are reviewed with extreme care. If after careful consideration doubt still exists in the mind of the administrative officer, the papers are again referred to the field for further inquiry." [2]

The municipal civil service commission of Chicago is the best known instance in which a well established system of hearings is in effect. The municipal civil service law of 1895 made the following provision:

No officer or employee in the classified civil service of any city who shall have been appointed under said rules and after said examination, shall be removed or discharged except for cause, upon written charges and after an opportunity to be heard in his own defense. Such charges shall be investigated by or before some officer or board appointed by

[1] *Taylor* vs. *Taft, Secretary of War*, 24 App. D. C. 95, quoted in *Annual Report*, U. S. Civil Service Commission, vol. 41, p. 77. Bills have been introduced in Congress for several years providing an appeal to the civil service commission but although they have received a favorable committee report, they have never been passed by either House. The bill has the influential support of Mr. Madden, however, and needless to say of the federal employee.

[2] Postmaster-General, *Annual Report*, 1917, pp. 30-31.

said commission to conduct such investigation. The finding and decision of such commission or investigating officer or board, when approved by said commission, shall be certified to the appointing officer, and shall be forthwith enforced by such officer.[1]

This procedure does not apply to laborers or persons having the custody of public money for the safe-keeping of which another person has given bonds.

The most satisfactory account of the way in which this system actually operated is contained in a study written by Dr. Joseph B. Kingsbury, from which the following account is summarized.[2]

The character of the hearing in Chicago has had an interesting evolution. From 1895 to 1901, the employee against whom charges were filed was required to petition for a hearing. But in 1901 the commission decided to investigate independently all charges filed with it, and to hold hearings in each case. The amount of business naturally increased greatly, and in 1904 an attorney and two investigators were added to represent the commission in preparing cases. The hearings became more and more like judicial trials, involving legal counsel, witnesses, and rules of evidence. Trials consumed days and even weeks of the commissioners' time.

> The departmental trouble maker with a nice point of law had not only his day but his weeks in court before the trial board. The commission went at a plain question of employment through pleas of "guilty" and "not guilty," demurrers, answers, ruling, citation of authority and appeals, and in course of time created a system of jurisprudence about the words "removed or discharged except for cause and upon written charges and after an opportunity to be heard in his own defense."[3]

After two prolonged trials in 1906 important changes were made. The special police and fire trial boards were abandoned; the commission heard all charges directly; the case was decided, usually without the presence of professional counsel, from the point of view of an ordinary employer. The commission came to regard itself more as an administrative or disciplinary body than as a court, and was able to reduce substantially the amount

[1] Sec. 12.
[2] Joseph B. Kingsbury, *Municipal Personnel Policy in Chicago*, 1895-1915, ch. 11 (1923).
[3] Robert Catherwood, *Proceedings of the National Civil Service Reform League*, 1910, p. 163.

of time required for hearing cases. In 1915 the commission reported that the trial work did not consume more than four hours a week; now the commission sits usually Wednesday morning and afternoon, and sometimes on Thursday morning of each week.

The right of hearing has often been attacked in Chicago in the name of executive responsibility. In 1903 Mayor Harrison declared that he knew the city hall was full of grafters and inefficient men, but that it was impossible to remove them. "In cases of outright wrong doing, the system works satisfactorily," the mayor said, "but the head of a department may have a moral certainty of culpability on the part of a subordinate and yet lack ability of giving definite proof." [1] This statement was promptly challenged, and the position of the mayor made decidedly awkward by the declaration of the chief of police that he had no difficulty getting rid of undesirable men on his force.

The extent of protection acquired by employees from the civil service commission is indicated by the following table.

Year	Charges Filed	Removed from Service	Acquitted
1914	478	73	90
1915	514	86	132
1916	592	66	219
1917	563	93	172
1918	508	71	112
1919	584	70	206
1920	414	65	121
Total	3653	524	1052

The bulk of the cases involve policemen. In recent years the pressure of police cases has become so great that for minor offenses a special "court" in the police department has been established. In the cases in the above table not acquitted or discharged, some lesser penalty was imposed. No statistics have been published since 1920.

Since 1915 some remarkable decisions have been made by the civil service commission which have shaken public confidence in its impartiality. One of the best known of these is the case of Major Funkhouser, formerly second deputy commissioner of police, against whom charges were brought in 1918. The com-

[1] Council Proceedings, 1903, p. 31.

mission sustained the charges and ordered Funkhouser removed. On writ of certiorari the Supreme Court quashed the removal, saying, "There is nothing in the return made to the writ from which this court can see that there was any attempt to prove any of the facts or what was the particular state of facts upon which he was found guilty."[1] The impartiality of the present commission is conceded on all sides.

Within the city hall various opinions are held as to the value of the civil service commission hearing. The employees are nearly unanimous in regarding it as a vital protection against trivial or unjustified removals and feel strongly that it provides an essential element in the merit system without which the principle of merit could hardly continue. To eliminate it or to weaken it would be regarded by them as a serious attack upon one of the conditions which makes city employment desirable, and they would resist any change to the end.

Department heads, on the other hand, assert that in some cases the right of review hampers them in ridding their department of persons against whom no specific charges could be proved but who are, in fact, incompetent or otherwise undesirable. This may sometimes be true but more commonly the real reason for inaction lies in the fear of stirring up a political hornet's nest, for in Chicago there have been so many temporary appointments (eventually permanent), trailing political influences into the departments with them, that it sometimes seems as though the great majority of employees knew where to turn for political support in time of trouble.

On theoretical grounds, a strong argument can be made against the independent review in matters of discipline. It takes from the department one of the most powerful means of securing efficiency and attention to duty. It makes the department even more dependent upon the accuracy of the original process of selection. It emphasizes "rights" of employees to the detriment of the interest of the taxpayer in efficient service. It cultivates indifference and disregard to duty by magnifying the difficulties of punishment. It creates a difficult situation whenever an employee is reinstated by the commission in the teeth of charges preferred by the head of the department, for with regard to him discipline has lost its sting. A general let down in the tone of

[1] *Funkhouser vs. Coffin*, 301 Ill. 257.

the office follows. If the fairness of the commission is in doubt, then there is confusion worse confounded, and experience in Chicago demonstrates that the impartiality of the commission is not always accepted.

In jurisdictions where the fairness of departmental officials and the absence of strong political influences can be presumed, appeal without the confines of the department would seem to be as wholly inadvisable as unnecessary. In Chicago, however, there have been such constant indications of political influence riding roughshod over the rights of classified employees that the matter takes on a wholly different aspect. Even here the issue is a balanced one; for the same rules and practices designed to bar politics tie the hands of competent and honorable city officials, of whom Chicago has its due proportion. Another side of the question deserves consideration. The vast geographical extent of the United States and its political sub-divisions, the multiplicity and the importance of the commercial and financial interests, and the dominance of political issues combine to create a situation in which there is almost no active and ready public opinion to support an employee wrongfully disciplined. This makes more essential legal protection which can be resorted to directly by the employee. Again it must be remembered that the review by the civil service commission has nothing to do with all forms of discipline short of removal. For all cases except discharge the employee has no recourse.

There seems to be, in fact, a conflict of interest between the employee, who desires protection against arbitrary action by his superior and adequate guarantees of equitable treatment where penalties are imposed, and the executive, who desires a free hand in order to drive his organization to its highest pitch of productivity. This puts the question whether other motives than those of fear can be widely relied upon to bring out the full capacity of a large organization.

The propriety of allowing an independent review may vary in different lines of municipal employment. In the police department particularly, from which the great bulk of the cases actually come, strong exception has been taken by students of police administration. Fosdick asserts that in Chicago conditions bordering on chaos have not infrequently resulted, that the power of hearing is viciously abused, and that the allocation of definite

responsibility and the opportunity for positive leadership are alike impossible.[1] "One has only to sit with police trial boards or tribunals in cities like Philadelphia, Chicago, or New York to realize that the forces contain not a few unfit, shiftless and dishonest employees, who would be summarily dismissed by an energetic administrator endowed with adequate authority." On the other hand, the defenders of the Chicago method of removal point out that experience has demonstrated time and again the necessity of some "fireproof" protection to the honest members of police departments against "crooked" captains and politicians.[2]

The police in New York City benefit by a full opportunity for judicial review. The New York Charter provides that no member of the police force shall be fined, reprimanded, removed, suspended or dismissed from the police force until written charges have been preferred and heard before the police commissioner or deputy. This procedure has been held judicial in character and reviewable by the courts on writ of certiorari. Contrary to the original practice, the courts now review the competency and weight of the evidence as well as the procedure before the commissioner. The court will not, however, consider whether the extent of the punishment was too severe.[3]

In the fourteen years prior to 1912 six hundred and eighty-three policemen sought reinstatement through the courts. Of these cases only forty-six were decided against the department, twenty-six on account of evidence, and twenty cases on grounds of irregular procedure. During the years 1914-1917 there were one hundred and twenty-six dismissals after trial and only three judicial reinstatements.

The New York system is defended by a special committee of the Board of Aldermen in 1912 in these words: "The right to a court review is a protection to honest members of the force. Any policeman who fearlessly performs his duty necessarily makes enemies who are only too willing to injure him. If the commissioner were vested with arbitrary power of dismissal,

[1] Raymond B. Fosdick, *American Police Systems*, pp. 287-88 (1920).
[2] E. D. Graper, *American Police Administration*, p. 99 (1921), favors vesting ultimate authority for removals in the appointing officer, especially in police departments, "where loyalty and discipline are the first requisites to success," but with opportunity for a hearing.
[3] Graper, *op. cit.*, pp. 100-02, giving citations and references.

injustice would more likely result than under the present system which requires sworn testimony in support of charges. The arguments usually advanced against the preservation of this substantial right have less force when it is realized that reinstatements by the courts have been so few." [1] But Fosdick believes "that unrestricted right of appeal to the courts from the decision of a police administrator is a menace to the proper exercise of discipline." [2]

In view of these conflicting points of view the forthright position taken by Massachusetts, protecting all employees and officials in state, county, and city service by the unrestricted right of appeals to the courts, is of special interest. The present law provides:

> . . . every person holding office or employment in the classified public service of the Commonwealth, or of any county, city or town thereof, shall hold such office or employment and shall not be removed therefrom, lowered in rank or compensation or suspended, or without his consent transferred from such office or employment to any other, except for just cause, and for reasons specifically given him in writing within twenty-four hours.
>
> If within three days, thereafter, the person sought to be removed, . . . shall so request in writing, he shall be given a public hearing in not less than three nor more than fourteen days after the filing of the request, by the officer or board whose action affected him as aforesaid, and he shall be allowed to answer the charges preferred against him, either personally or by counsel, and shall be notified in writing within three days after the hearing of the decision of such officer or board. In default of such hearing, said person shall forthwith be reinstated and a copy of said reasons, notice, answer and decision shall be made a matter of public record in the department.
>
> Within thirty days after the hearing . . . the person so removed, transferred or lowered in rank or compensation, or suspended, or whose office or position is abolished (except certain police) may bring a petition in the district court of the judicial district where such person resides . . . praying that the action of the officer or board may be reviewed by the court, and after notice . . . it shall review such action, hear the witnesses, and shall affirm the decision of the officer or board unless it shall appear that it was made without proper cause or in bad faith, in which case said decision shall be reversed and the petitioner be reinstated in his office without loss of compensation. The decision of the court shall be final and conclusive upon the parties.[3]

[1] Quoted by Graper, *op. cit.*, p. 103.
[2] Fosdick, *op. cit.*, p. 289. *See also* Clay Lawrence, "Police Removals and the Courts," *Pol. Sci. Quarterly*, vol. 20, pp. 68-90 (1905).
[3] Massachusetts General Laws (1921), ch. 31, sec. 43-45.

Who shall say whether Massachusetts is leading the way toward a form of judicial protection of rights of public employment which is destined to become universal as part and parcel of the *Weltgeist* of the twentieth century, or on the contrary has turned up a *cul-de-sac* from which she will presently withdraw in the interests of more aggressive personnel administration? Two lines of improvement hold forth some promise that Massachusetts is in the vanguard of public employment policies: (1) the substitution of stimulating leadership as the dominating motive power in personnel systems in place of fear, and (2) the constantly perfecting adjustment of the individual to his job by means of much more finely adjusted mechanisms of recruitment, training, placement, and supervision.

It should be an objective and a test of the whole personnel system to operate so perfectly that the need for discipline, at least in its more serious aspects, would seldom arise. This is an ideal, it need hardly be added, which is yet far from attainment, but its remoteness does not destroy its validity. Certain it is that the Massachusetts plan assumes a standard of rectitude and moderation on the part of rank and file as well as executives which can hardly be assumed in all jurisdictions. For the major part of American administrative systems, it is not now thought wise to ask for greater guarantees of fairness in disciplinary matters than those which flow from written charges, adequate notice and opportunity for a public hearing within the department before a representative board comprising others than the official whose discipline is questioned.

CHAPTER SIXTEEN

RETIREMENT SYSTEMS

The problem of providing for the retirement of public employees when they are no longer able to perform the duties of their positions is deceptive. It has an appearance of simplicity.

Lewis Meriam.

1. The Development of Retirement Systems.

The experience of Great Britain has had an important effect upon the establishment of the retirement system of the federal government.[1] The first general English superannuation legislation was enacted in 1810, before which a recognized moral obligation to make provision for superannuated civil servants was discharged by means of life offices, sinecures, plural holdings, and the employment of substitutes. This system was later declared to be "obviously objectionable in principle, and liable to great abuse in practice, both as regards due economy in the public expenditures, and the fair and equal remuneration of public servants."

The act of 1810 separated military and naval pensions from civil allowances, and set up a scale of payments on the non-contributory plan. A great increase of allowances took place in the next decade, which led in 1822 to the trial for two years of a contributory plan. Objections based on an alleged violation of contract led to the re-establishment of the non-contributory plan in 1824. Further fluctuations occurred between the contributory and non-contributory systems until, after a full debate, the principle of contributions from employees was finally abandoned in 1857. The present retirement system is based on the well-known act of 1859 which established a so-called "straight" pension. The benefits were somewhat extended in 1887, and a

[1] Herbert D. Brown, *Civil Service Retirement*, Sen. Doc. 290, 61st Congress, 2d session, and also House Doc. 732, 62d Congress, 2d session, Appendix B.

supplementary plan of life insurance was inaugurated in 1909. No person can secure a pension under British legislation without a certificate, or special exemption therefrom,[1] from the civil service commission.

American military pensions were first promised by the Continental Congress in 1776; two years later half pay for seven years was offered all commissioned officers who served until the end of the war.[2] The pension obligations of the Confederation were taken over by Congress in 1789. At the beginning of the War of 1812 two per cent of the net amount of prize money was pledged to support widows and orphans "of such persons as might be slain." In 1833 a pension bureau was created in the war department and transferred in 1849 to the interior department.[3]

Pension legislation assumed its present importance with the Civil War. "Not one of the numerous acts which has been passed was based on actuarial consideration, even in so far as to permit a forecast with reasonable accuracy of the probable future cost. As a result, colossal pecuniary burdens have been assumed by the American people."[4] The maximum number of civil war pensioners was reached only in 1902, when 999,446 persons were on the roll. The pension disbursements of the United States up to 1911 are reckoned at over $4,200,000,000.

Army and navy officers and men have long had the advantage of retirement allowances. An officer who has had thirty years' service or has reached the age of sixty-two may be placed on the retired list; at age sixty-four retirement is compulsory. The retirement allowance for officers is 75 per cent of the pay of the rank held at the time of retirement.

Official recognition of the need for civil pensions in the federal government was made as early as 1845.[5] In that year a committee of the House of Representatives reported, "The list of

[1] As persons of "professional or other peculiar qualifications." For brief accounts of retirement systems for public employees in Germany, Austria, Belgium, Denmark, Finland, France, Great Britain, Spain and Holland, *see* Reports, Memoirs, and Proceedings of the Seventh International Congress of Actuaries, 1912, vol. 1, pt. 2.

[2] E. L. Hoffman, *American Public Pension Systems and Civil Service Retirement Plans, Seventh International Congress of Actuaries*, p. 237 (1912).

[3] *See* G. A. Weber, *Bureau of Pensions*, Service Monograph Series (1923).

[4] Hoffman, *op. cit.*

[5] John T. Doyle, "The Federal Civil Service Retirement Law," *Annals*, vol. 113, pp. 330-338 (1924).

officers becomes a pension roll; the public departments are sought to be converted into national poor-houses." The committee urged as the panacea for this "un-American" predicament that the term of office be limited to a period so short "that the incumbents will hardly be able to forget that they are once more to become private citizens." In 1849 the Postmaster General formulated a bill to pension superannuated civil employees. From time to time comments were made in the course of debate in Congress which indicated a "rapidly growing civil pension list," and after 1904 there was a more or less continuous demand for some form of retirement legislation from department officials. Great impetus was given the movement by the carefully prepared report of the Taft Efficiency and Economy Commission in 1912, and by the leadership of President Taft in urging retirement legislation. Congress, however, was reluctant to do anything and it was not until after the war that a retirement system was finally established.[1]

Meanwhile, however, retirement systems had been put into effect in many local jurisdictions, especially for policemen, firemen, and teachers. The earliest of these is thought to be the New York City pension fund for policemen, established in 1857. "For a time the pension or retirement system idea made slow progress in this country, but during the last two decades the merits and advantages of a retirement system have been better understood, both by the employees and the public, and the number of retirement systems is rapidly increasing. There are now about five hundred different retirement systems in this country, including more than one hundred public school teachers' retirement systems." [2]

Eight states, including Massachusetts (1911), Maine and Connecticut (1919), New York (1920), New Jersey (1921), and Pennsylvania (1923), have state-wide retirement systems.[3] Others have partial systems, so that only ten states have no retirement legislation. Although no statistics are available as to the number of employees covered by pension provisions and the total amount of obligations assumed toward them, a recent

[1] 41 Stat. at L. 614 (1920).
[2] H. H. Baish, "Retirement Systems and Morale in Public Service," *Annals*, vol. 113, p. 338-350 (1924).
[3] An able discussion of pension laws is to be found in the Reports of two Illinois Pension Laws Commissions, 1916 and 1918-19.

estimate places the number at more than 800,000 and the total obligations at $1,250,000,000.[1]

Retirement systems vary in form and structure. They may be enacted by state legislatures to cover all or part of the state employees, or in addition all or part of the employees of local governments. They may be optional or compulsory, or optional with employees already in the service and compulsory for new entrants. They may be organized on the actuarial reserve or the cash disbursement plan. They may be contributory or non-contributory. They may provide a wide range of benefits, including superannuation, death, either ordinary or in performance of duty, withdrawal or dismissal from the service, and special benefits to widows and children. American retirement systems are usually contributory, and compulsory for new entrants. They have been organized on both the cash disbursement and actuarial reserve plan, but with a strong tendency in the last fifteen years toward the latter form.

2. General Characteristics of American Retirement Plans.

Perhaps in no other single respect have American legislatures demonstrated their incapacity in dealing with administration so conclusively as in providing retirement allowances. The initiative in pension legislation has usually come from small groups of public employees, usually the older men, who naturally approached the retirement problem from the point of view of their needs. They were not concerned with other groups of employees, the stimulation of efficient service, the distribution of costs and the financial soundness of the system which they were seeking to establish.[2] Retirement legislation is lengthy, complicated, and difficult to grasp, and statute after statute has been put on the books which established pension plans, the import and obligations of which were not understood, and which were destined to face bankruptcy and costly reorganization in later years. Such breakdowns have occurred, by way of illustration, in the New York teachers' retirement fund in 1916, in the New York City police pension fund, whose annual deficiency amounts to over $2,000,000, in several New Jersey funds, while several Illinois funds are declared to be headed for bankruptcy.

[1] *National Municipal Review*, vol. 11, p. 96 (1922).
[2] *See* Paul Studensky, "Pensions in Public Employment," *National Municipal Review*, vol. 11, pp. 96-124 (1922).

The insolvency of the pension fund under the fifteen pension laws of Illinois for teachers, policemen, firemen, and other civil service employees, is a matter of grave concern. These acts have been built up blindly. The liabilities under them have crept up almost imperceptibly, as the service given by the public as an employer has expanded. Through these laws the state and many of its municipalities today are in effect in the position of holding out dishonest promises to the men and women in the employ of the public. On the basis of lack of provision to finance pensions promised, the major existing funds have deficits running up into the millions. . . . The deficit of the policemen's fund of Chicago is $21,000,000 and that of the firemen's fund $7,000,000, . . . the Chicago teacher's fund is about $6,000,000, and that of the municipal employees about $5,000,000.[1]

No uniformity of contributions, benefits, and conditions has developed, since the legislation has been piecemeal as one group of employees after another made an appeal for protection. "These differences cannot usually be justified on the basis of any principle, equity, or practical consideration. They lead to jealousies, extravagance, and the demoralization of the service." [2] Usually no adequate conception of the ultimate financial obligations is presented to the legislature, and not infrequently present benefits are paid to some out of funds collected to provide future benefits to others.

Fortunately there is now a growing body of literature contained in careful investigations of the retirement problem, and in the experience of a number of well administered funds, which makes repetition of these faults as unnecessary as they will be, it is hoped, uncommon. The whole problem of superannuation has, however, been obscured by the mistakes committed in pension legislation, culminating in the federal retirement act of 1920. The provisions of some typical statutes are summarized in the following cases.

Case 1. United States. All employees in the classified civil service of the United States and of the District of Columbia except teachers and members of the fire and police departments became members of this retirement system. There are six classes of membership depending on the number of years' service at the time of retirement. Retirement is at the age of seventy, provided that fifteen years' service has been rendered, except that

[1] Illinois Pension Laws Commission, 1918-19, p. 13.
[2] Studensky, *op. cit.*, p. 99.

mechanics, letter carriers and post office clerks may retire at sixty-five and railway postal clerks at sixty-two. Retirement is compulsory at the appointed age unless the civil service commission approves the request of the head of the department for continuance for not more than four years.

The law provides for both superannuation and disability benefits, the amount of the allowance depending on the class in which the employee finds himself. The following table gives the respective proportions and amounts of the superannuation benefit.

TABLE

CLASS	YEARS OF SERVICE	PER CENT OF RETIRING SALARY	RANGE
A	over 30	60	$720–360
B	27–30	54	648–324
C	24–27	48	576–288
D	21–24	42	504–252
E	18–21	36	432–216
F	15–18	30	360–180

When an employee resigns or is separated from the service, all of his contributions with four per cent interest compounded annually are returned to him. Each member contributes monthly two and one half per cent of his salary to a fund known as "The Civil Service Retirement and Disability Fund," from which all benefits are paid. Congress is expected to appropriate any additional money which may be needed.

The administration of the system is vested in the Commissioner of Pensions, who appoints with the approval of the Secretary of the Interior a board of three actuaries, one of whom is the government actuary. The board has general charge of the technical details in the operation of the law. The government pays all expenses of administration.

This act has been very severely criticized on all sides. The employees assert that the amount of allowance is altogether inadequate, a claim which is difficult to controvert. The more serious technical faults of the law are brought out in the first report of the board of actuaries. From this report it appears that the employees' contribution of two and one half per cent is not sufficient to provide even the moderate scale of benefits proposed, which require approximately 3.56 per cent of the pay roll. That is to say, only about 70 per cent of the liabilities arising

after the establishment of the system are being met. But the case is much worse with the accrued liabilities, for absolutely no provision has been made yet to cover these enormous obligations. On June 30, 1921, actuarial computations showed that the sum of $302,370,293 was necessary to cover the retirement and disability expectations of employees then in the service, which would necessitate the actual payment of nearly $250,000,000 in cash. The board of actuaries recommended that the government set aside 2.31 per cent of the pay roll annually for about thirty years, and then 1.05 per cent in order to meet the requirement of the fund, or if this be not done, the board urged Congress to authorize the opening of an account on the books of the treasury department to which would be transferred each year the amount due the fund.

At the present time no account whatever is taken of the accruing liabilities. "Contributions are now being collected from employees and placed to the credit of a single account in the treasury. Every cent of money collected in this manner carries with it under the law the right of the employee to have it returned to him with interest. The funds collected are therefore the same as trust funds. Nevertheless, despite the rights of the employees to their contributions, the contributions from employees in the service are being paid to employees who have retired and who have already withdrawn all of their own money, so that, not only are the deposits of employees not being credited with proper interest but the principal itself is being dissipated. This practice is exceedingly dangerous to the government because unlike the liabilities for war pensions which may be expected to decrease, the liabilities under the present fund will steadily increase." [1]

Other disadvantages of the present law were also recorded by the board. Employees are required to contribute two and one half per cent of their salary without any limit as to the amount of the salary upon which contributions shall be made, but the amount of annuity they receive is calculated on a final maximum salary of $1200. The higher paid employees therefore contribute a greater proportion of their benefits than do the lower salaried employees. Again, employees who retire at the age of seventy

[1] First Annual Report of the Board of Actuaries, Sen. Doc. 107, 67th Cong. 2d sess. p. 12.

contribute just as heavily per year as employees who retire at the age of sixty-two, which results in inequality among employees as to the proportion of the benefits they paid in. The classification in three year groups results in the pyramiding of retirements in the first year of each class because there is no incentive to remain in the service; and on the other hand there is a strong incentive to those nearly eligible to the next higher class to remain in the service. The board of actuaries recommended classification in one year groups and an annual increase of allowance.[1]

Studensky explains the federal situation in these words:

> For years the administrative branch of the government failed to take an energetic step towards the development of a sound retirement system. For years Congress refused to consider seriously the idea of a retirement system. Finally the leaders of the employees, exasperated by this policy of procrastination on one side and opposition on the other, took the matter into their own hands. They framed a retirement bill which was unsound in almost every respect but well adapted to the prejudices of Congress and of the mass of employees in the matter. The opposition of Congress to expenditures by the government for retirement was appeased by providing that for the first few years all the expenditures for retirement should be met by using the monies supplied by the contributions of the employees. The objections of the employees to contributing were quieted by fixing their contributions at a very low rate—2½ per cent of their salary. . . . Years will pass before the unsound financial features of this system will be remedied, if they ever will, for as difficult as the reorganization of pension systems generally is, the difficulties in the reorganization of this system will be multiplied because of its gigantic size and the huge amounts running into millions of dollars which will have to be raised in case of the readjustment of the system, in order to provide for the obligations which are now unduly shifted.[2]

Case 2. Massachusetts. The Massachusetts state employees' retirement system went into operation on January 1, 1912. With certain exceptions it covers persons permanently employed in the direct service of the Commonwealth, or in the Metropolitan District Commission. Membership on Nov. 30, 1922, was 7648, and is compulsory for all new entrants. Retirement is optional at the age of sixty, provided the member has rendered at least fifteen

[1] The second report of the Board presented a bill correcting many of these faults, House Doc. 531, 67th Congress, 4th session. *Cf.* discussion of bills in their fourth report, House Doc. 483, 68th Congress, 2d session.

[2] *National Municipal Review*, vol. 11, p. 100 (1922).

years of service, and is compulsory at seventy. Any member who has rendered thirty-five years of service may retire, irrespective of age.

The law provides both superannuation and disability benefits. Employees in the service prior to June 1, 1918, are required to contribute 3 per cent and may contribute up to 5 per cent, while those employed since that date are required to contribute five per cent, but not on a salary of more than $1,560 per year.

Upon retirement the member receives an allowance consisting of (a) an annuity purchased by his accumulated contributions, and (b) a pension paid by the state equal to his annuity, and in case of men who have prior service an extra pension as large as the double of his contribution paid throughout would have constituted. In other words, both his accrued annuity and pension are made up for him by the state. The minimum superannuation allowance is $300 and the maximum $780 per year. For disability incurred while in the performance of duty, a retirement allowance is paid equal to one half of the last annual salary; for other disability, the same amount is paid but only if the member has had fifteen years of service. When a member resigns his contributions with interest are returned to him.

The management of the system is vested in a board of retirement composed of the state treasurer, a member of the retirement association elected by the members for a term of three years, and a third person selected by these two, or if they cannot agree by the governor. All of the expenses of the fund are paid by the state government from a special appropriation.

The secretary of the Pennsylvania state retirement board praises the Massachusetts statute. "The Commonwealth of Massachusetts is to be commended for being the first among the American commonwealths to establish a retirement system for state employees. It has more strong points and fewer weaknesses than many of the retirement systems that were later established. Owing to the higher living costs, it does not seem fair to continue the maximum salary on which contributions and allowances are paid at $1560. The weakness of the Massachusetts plan lies in the fact that an undue share of its cost has been imposed upon future taxpayers." [1]

Case 3. Chicago. One of the most generous retirement sys-

[1] H. H. Baish, *op. cit.*

tems is the Chicago municipal employees fund. This pension law was enacted in 1911 at the instance of a group of employees and amended in 1921. Each employee contributes three and one quarter per cent of his salary for superannuation, one per cent for widows' benefits, and two variable assessments, one to cover half the cost of the ordinary disability benefits, the other to cover half the cost of administering the system. The total contribution of the employee approximates five per cent, but only on a salary up to $3000. The city contributes five and three quarters per cent of salary for superannuation, one and three quarters per cent for widows' benefits, the same assessments for ordinary disability and cost of administration, a sum to cover the total cost of benefits for disability and death caused in performance of duty and a sum to cover the total cost of children's annuities. The aggregate of these contributions is about nine per cent of the salaries. The city also assumes the accrued liabilities. Retirement is allowed at fifty-five, except that employees who have not reached the age of sixty receive the full benefit of the city's contribution only if they have served twenty years.[1]

One of the outstanding weaknesses of American pension legislation arises from the fact that it is unsystematic and inconsistent. Usually one group of employees after another have been "taken care of" in separate laws, enacted through a long period of years. Thus in Cook County, Illinois, there are now in existence nine different pension funds. In the state at large there exist police pension funds for cities with populations ranging from 5000 to 200,000, firemen's pension funds for the same cities, a public school teachers' fund, a school employees' fund, a state institution teachers' fund, and a fund for the pensioning of judges. The results of this dispersion are in many ways unfortunate. It conduces to competitive bidding between funds before the legislature, tending toward the constant increase of governmental obligations. It multiplies the number of boards of trustees, actuaries, secretaries, and other officials, increasing the cost of administration. It results in less efficient handling of the investment of funds. It creates funds too small to be sound financially. It induces irritation between employees who are given unequal benefits.

[1] Illinois Laws, 1911, p. 158; 1921, p. 205.

In this connection recent legislation combining a number of pension funds in Boston is of great interest. The general principle of the law is to create a new fund for all municipal employees entering the service in the future, gradually winding up the numerous funds already in existence as the beneficiaries die.[1]

3. The Establishment and Maintenance of Funds.

A number of important issues arise as between different principles for the establishment and maintenance of the necessary funds which systems of retirement require. Brief notice will be given to only four of these, including the actuarial reserve plan or cash disbursement plan, the contributory or non-contributory plans, the indirect contributions of the government, and the method of handling accrued liabilities. Highly technical questions are involved in these matters, discussion of which will be omitted here, in order to concentrate attention on the major problems from the point of view of governmental efficiency.[2]

(*a*). *Cash disbursement vs. actuarial reserve.* Many pension funds have been administered in the United States on the cash disbursement plan. By this method, current collections, whether from government or employees, are used to pay current obligations. The payments made into the fund are treated as flowing into a single great reservoir, from which obligations are met as demands are made. The duty of maintaining an adequate supply of funds in the reservoir soon falls on the government since the contributions from employees are rarely adequate. Put in another way, the cash disbursement plan accepts contributions from John Smith, a present employee, to ensure funds to cover the cost of his ultimate retirement and uses his contribution to pay the retirement allowance of John Brown, a retired employee whose own contributions prove inadequate to meet the cost of his allowance.

This plan is now in operation in the federal system. On June 30, 1923, $37,367,768 had been contributed, of which $25,510,289 remained to the credit of the fund. The time is not remote, however, when Congress will be obliged to contribute directly,

[1] Laws of Massachusetts, 1922, ch. 521.

[2] The reader who wishes to delve further into the problems of retirement systems should begin with Lewis Meriam, *Principles Governing the Retirement of Public Employees* (1918). The following pages have borrowed heavily from this admirable book.

and eventually will be obliged to make very large appropriations.

The cash disbursement plan is condemned by most students of retirement systems. Two arguments are advanced in its favor; it is simple, and safe. "No elaborate collecting and investing machinery is required and no nice actuarial computations and valuations are needed. It has all the pleasing simplicity of a charge account."[1] The money is left with the taxpayers until needed, thus obviating incidentally any loss through mismanagement or bad investment. The objections against the cash disbursement plan are summarized by Meriam under the following heads: (1) it is unbusiness-like and conducive to extravagance, (2) it requires constantly larger appropriations which are subject to attack in times of economic pressure, (3) it is inequitable because the generation which establishes the scheme escapes almost all financial responsibility while succeeding generations must bear a constantly increasing burden, and finally (4) it is not readily adaptable to give employees fair benefits in the event of death in active service, voluntary resignation, or dismissal. Of these defects, perhaps the most dangerous is the first, since the apparent absence of financial burden makes it relatively easy to obligate the government to very costly benefits, the expense of which is obscured until later years when a loud outcry arises against the then necessary appropriations, leading possibly to a curtailment of promised benefits. In a word the cash disbursement plan is conducive to blind assumption of unrecognized obligations.

The actuarial reserve plan commences with a scientific calculation of the amount of contribution necessary at each age period to provide the legal benefits at the retiring age. A fund is then established into which is paid at regular intervals, usually on pay days, a sum which will be sufficient with compound interest to pay for all the benefits anticipated for each employee.

Three distinct differences between the actuarial reserve and the cash disbursement plan must be clearly recognized, as they help make clear the advantages of the former system. Under the actuarial reserve plan the taxpayers who receive the service pay all the obligations incurred by the government in respect to

[1] Meriam, *op. cit.*, pp. 328-29.

that service; whereas under the assessment or cash disbursement plan the taxpayers at the time the service is rendered pay the immediate wage only and leave for some future taxpayer the payment of the prospective benefits which have accrued in respect to that service. Future taxpayers under the assessment or cash disbursement plan pay the immediate wage for the services rendered them and the retirement benefits which mature in their day in respect to services rendered a prior generation. Under the cash disbursement system the generation establishing the system escapes with little or no payment and passes the burden to the future, whereas under the actuarial reserve system each generation pays its share.

Under the actuarial reserve system, the money available for payments has come in part from taxes and in part from the interest earned by this money in the time between its collection and its disbursement, whereas under the assessment or cash disbursement plan all the money comes directly from the taxes and no interest is earned because practically no time elapses between the collection of money and its disbursement.

Under the actuarial reserve plan the amount required from the taxpayers annually for the retirement system bears practically a fixed proportional relationship to the sum raised for the immediate wages of those in the service, whereas under the assessment or cash disbursement plan the proportion between the amount required for retirement benefits and the amount required for wages is for several generations constantly increasing.

The objections to the actuarial reserve system are that it is complicated, requiring a complete system of records, periodical actuarial computations, and the maintenance of investment machinery; and that the existence of the large reserved sums is dangerous, because the power which control of a fund gives may be used for political purposes, the administrators may prove dishonest, and the fund may be lost through unwise investment.[1] Meriam concludes, however, in favor of the actuarial reserve plan, "The government could thus secure for its system honest and conservative control; it might not be brilliant control, but safety with a reasonable return is all that is expected."

[1] *See* Citizen's Association of Chicago, 51st Annual Report, 1925, and their Bulletin No. 66, "Public Pension Measures" (1925); J. Lincoln Steffens, *Shame of the Cities*, and note in Meriam, *op. cit.*, p. 336.

(*b*). *Contributory vs. non-contributory funds.* The necessary funds may be collected from the government alone, in which case it is called non-contributory, or from the government in part and the employees in part, in which case it is known as a contributory plan. Theoretically, all the contributions might come from the employees, the government acting merely as a depository and as disbursing agent, but in fact almost no such arrangements exist.[1] In America most retirement funds are contributory, each party usually sharing equally, although in Chicago the municipality pays nearly double the amounts collected from the employees.

The sharpest differences of opinion have developed over making a retirement system contributory or non-contributory, differences not infrequently based on misapprehension concerning the real issues involved. There is, for instance, no necessary difference in the character of the benefits paid, nor is the cost of the benefits affected, nor does one method of deriving revenues rest upon the actuarial reserve while the other involves the cash disbursement plan.

So far as new employees are concerned the question has little economic importance, for if a non-contributory plan is established, wages and salaries tend to be depressed to the extent required to meet the government's contribution. With regard to employees already in the service, the government almost always pays off the accrued liability without their contributions; by future accumulations they can pay only a part of the ultimate benefits, so that either plan means for them a net increase in financial expectation. This is somewhat greater for them if the retirement plan is non-contributory.

The practical economic differences are first that under the contributory system the employee knows the cash value of the benefits and is less likely to attach to them a value beyond their real worth, and second that he is more likely to maintain a spirit of independence in his dealings with the government.[2]

The real differences between the two plans are said to be moral and psychological. A contributory plan escapes the flavor of charity or philanthropy, and is less open to attack in periods when taxes are high. Employee representation on the managing

[1] This method was recommended by the Taft Commission on Economy and Efficiency.
[2] Meriam, *op. cit.*, p. 76.

board is more certain under the contributory plan, and the tendency toward "treasury exploitation" is perhaps less.[1] The contributory system is also more flexible.

Against the contributory system is brought the argument that benefits are introduced in which the government has little or no interest, but toward which it is obliged to contribute. Such are repayments caused by withdrawal or dismissal from the service, or death in active service not in course of duty or after retirement.[2] It is also urged that accrued pension rights make supervisory officials reluctant to discipline employees by discharge, involving loss of part of these rights. Some employees object to deductions for retirement on the ground that their salary is already too small to afford a reasonable living. Finally the argument is made that the contributory system is more expensive to administer, since it involves elaborate bookkeeping and record making.

The advantages of the "joint contributory principle" are set out by Studensky in the following enumeration.

(1) It is more economical and practical than the other systems mentioned, as it avoids heavy taxing of either the resources of the employing body or the earnings of the employee and facilitates thereby the establishment and maintenance of so costly an undertaking as the pension system.

(2) It leads to an equitable and desirable readjustment of expenditures of both the employing body and the employee.

(3) It checks, if properly conceived, extravagant demands on the part of the employees as it makes the latter participate in the increase of cost that would result from the grant of such demand; and it fosters, therefore, a steady, sound development of the system.

(4) It calls for the participation of the employees in the management of the system—a feature which helps the harmonious development of the system.

(5) It is in accord with the fundamental philosophy just stated, that both the employing body and the employee are benefited from and interested in the establishment of a retirement system and ought, therefore, to contribute to it.

(6) It is also in accord with the theory that the faculties of the employee are being used up by the industry or service in which he is employed as well as by his own personal pursuits and enjoyments and that, therefore, a joint responsibility rests upon the industry or service and upon the employee for the upbuilding of proper means

[1] But recent tendencies in Illinois cast some doubt on this.
[2] *See* Meriam, *op. cit.*, ch. 7 for careful discussion of this point.

that would sustain the employee during the time when these faculties shall have been destroyed.

(7) It does not develop, as the other systems do, grievance in one party against the other to the effect that it has to bear the other's responsibilities and burdens.

(8) It leads in the long run to greater mutual satisfaction and co-operation.

(*c*). *Indirect contributions.* Under either contributory or non-contributory systems the government makes certain special contributions. The expenses of management are usually borne by it from a separate appropriation, although in Chicago they are carried equally by the municipal authority and the employees.

The government has a moral obligation to sustain the solvency of the retirement system, the benefits of which are a part of the compensation. Legal limitations on the extent of governmental liability to pay the promised benefits are "highly improper." The government establishes the system and is under moral obligation to know that it is sound. No individual about to become a public employee can ascertain for himself whether the system is actually sound. He must assume the solvency of the plan and the certainty of the expected benefits. The government, on its part, should have such competent actuarial advice that every actuarial reserve system will stand the test of experience.

The earning power of any fund is of course dependent largely upon the rate of interest. The benefits are calculated on a given expected rate, failure to earn which creates a deficit, or are made dependent on the rate of interest, a decline in which decreases benefits and engenders discontent. To avoid these contingencies the government frequently guarantees that it will contribute any sums necessary to maintain the assumed rate.

(*d*). *Accrued liabilities.* At the moment when a retirement plan is put into effect, every employee in the service becomes entitled to certain benefits upon reaching a given age, depending upon length of service and salary received. No contributions, of course, have been made by any person or authority to meet these obligations when they fall due. They are therefore referred to as "accrued liabilities," and frequently amount to very large sums. The government assumes the burden of the accrued liabilities and usually discharges them by paying in an annual sum which

will extinguish them in a given period of years. The federal board of actuaries recommended payments for a period of thirty years, but the government has made no provision as yet for meeting its accrued liabilities of about $300,000,000, which will be substantially increased if the scale of retirement allowances is raised to meet the desires of the employees. Or the accrued liabilities may be handled as a perpetual debt, the government meeting the annual interest charges.

4. The Benefits to be Provided.

The pension committee of the National Municipal League recommended benefits for the following contingencies: old age (superannuation), disability, both ordinary and in performance of duty, death, ordinary and in performance of duty, withdrawal from the service through resignation or dismissal. It is desirable, said the committee, to divide the retirement allowance into two distinct benefits, the annuity provided by the employee's own accumulated contributions and the pension provided by the accumulated contributions of the employing body.

The interest of the government in maintaining an efficient service obviously is not the same in each of these cases. The prime interest of the government is to keep its offices free from persons incapacitated on account of old age or disability; it has, however, a secondary interest in providing such conditions of employment as will attract well qualified candidates and keep them in the service. It is urged also by some that the government has a general social function to perform by acting as a model employer, although in many respects it can hardly be thought to have fulfilled this task.

This scale of interests places in the first rank the superannuation or old age benefit, intended to retire employees when their productive capacity passes below a certain minimum. The determination of the age or conditions under which this situation prevails is not simple. Early English experience left the retirement of individual employees optional with the government, which developed conditions hostile to the interests of the government and vicious from the point of view of the employee. Retirement at the option of the employee after he has fulfilled minimum conditions regarding age, length of service or both is satisfactory from the point of view of the employee, but contains no guarantee

that superannuated officials will be cleared out of government offices. To ensure this, compulsory retirement at a fixed age or after a fixed period of service is sometimes suggested, but the frequent occasions when the service would be thus deprived of some of its most valuable men makes such a rigid device unsatisfactory. The federal retirement law adopts a reasonable compromise, making retirement compulsory at ages 62, 65 and 70 with privilege of extending these age limits by joint action of the department and the Civil Service Commission.

A weakness of some pension plans is the provision for retirement after a number of years' service rather than at a given age. This arrangement is preferred by employees but results in gross violation of the public interest. Thus in Chicago a case is known in which an individual entered the public service at an early age and retired after twenty years at the age of forty-two with a pension for the rest of his life. He has been prominent in politics since. For a few years policemen were allowed to retire after twenty years of service regardless of age. This was considered an abuse, and the law was promptly changed. The usual plan is to make provision for retirement at a given age; and with some opportunity for variation it is difficult to see how a better rule could be proposed.

The amount of superannuation benefit may be calculated independently of salary, or directly dependent on salary, or indirectly dependent on salary. In any case a certain minimum is usually prescribed below which no retirement allowance can fall in order to protect standards of living, and a certain maximum is usually fixed in order to protect the liability of the government. In general it may be said that superannuation benefits have been fixed at a very low scale, inadequate to make more than partial provision for old age.

A death benefit may be advocated either for death in the performance of duty or ordinary death. The position of the government with reference to these two cases is somewhat different. To take the latter case first, one may argue that the government is not interested as an employer in making contributions under this head, the obligations of which are a primary duty of the individual, readily met by ordinary life insurance; that it is inequitable to force employees who have no dependents to contribute toward a death benefit as well as unnecessary for the

government; and that the expense of the retirement system is largely increased.

The government has no immediate object in providing death benefits in the event of death from ordinary causes, but it has a clear duty to maintain conditions of employment which will preserve the good will and loyalty of its employees. The chief hazard to which they feel themselves exposed is early death before they have been able to make adequate provision for their dependents. A retirement system which makes no provision for benefit in the event of death is therefore very unpopular.

The interest of the government is different in the case of death in the performance of duty, because in many branches of the public service, of which the police and fire departments are illustrative, the government demands action involving great personal risk. Death benefits are an essential guarantee to its employees in such cases, as the *quid pro quo* in return for unhesitating compliance with duty. High wages only partially meet the problem of dependents. The general principle that the economic losses arising from death in the actual performance of duty are part of the costs of the service, to be borne by those who derive benefit from the service, here finds a clear cut illustration. The claims to compensation for death in the performance of duty are so strong that most cities have made special provision for policemen and firemen. This benefit is usually on a non-contributory basis.

Death benefits after retirement are of interest to the government only remotely, and then for purposes of promoting general satisfaction among employees.

The government, however, is as clearly interested in the hazard of disability as in superannuation. The presence of men and women who are unable to perform efficient work on account of disability handicaps efficient administration as certainly as do superannuated incompetents. This is equally true whether the disability was incurred in line of duty or otherwise; indeed, the cases of disability in performance of duty are small in number and in proportion. In the New York City police department the number exposed to risk from 1908 to 1914 was 63,330, of whom 1295 were retired because of disability, and of these only 89 were disabled in actual performance of duty.[1]

[1] Report of Pension Funds of the City of N. Y., Pt. 2, p. 43, quoted in Meriam, *op. cit.*, p. 208.

An interesting, important, and controversial question arises in dealing with the desirability of benefits in case of withdrawal or discharge from the service. An admirable exposition of the question is given by Meriam from which a brief summary is taken.[1] His argument denies the validity of any distinction between resignation and discharge, asserting that the distinction is difficult to make, likely to lead to unfair discrimination and of doubtful administrative and social expediency. The desirability of allowing employees who withdraw or are removed at least the amounts which they have contributed is urged because it makes more easy the elimination of incompetents. "Imposing a penalty in event of resignation or dismissal might diminish the attractiveness of the public service instead of enhancing it. The real problem of the government as an employer is not in keeping a particular man tied to a particular job by providing that if he leaves it he will have to sacrifice certain of his provisions for old age, but in raising the general level of the public service as a profession. One of the ways of accomplishing this is to increase the opportunities for advancement by encouraging the free circulation of employees among different governments, national, state, and local, so that the man who is a success in a small position can look for normal advancement to the whole field of government service and not merely to that restricted area within the jurisdiction of the particular governmental unit for which he is working."

The return of his contributions is of outstanding importance to the employee. A penalty on resignation seems like an attempt to curtail his freedom of contract. An employee may outgrow his position and need broader opportunities to test his inherent capacities. Or his family obligations may increase so that he cannot continue to make the necessary financial sacrifice to remain in the service. Or he may find himself in an intolerable personal situation, having lost confidence in his superior officers, or having developed friction with fellow employees or supervisors. "The only salvation for such an employee is in getting other work, inside the service or out. The human nervous system is not constructed to withstand the nursing of such grievances, whether real or imagined, day in and day out, year after year. Those who oppose any benefit on resignation can never have

[1] Meriam, *op. cit.*, ch. 7. Every student should read this chapter without fail.

appreciated the human wear and tear of a big public office." Observation of the conditions of employment in the municipal service of Chicago leads to a complete approval of this point of view. Some device needs to be worked out to open up the opportunity for greater mobility in the public service, rather than imposing a penalty on movement from one jurisdiction to another, or from public to private service.

The whole question of benefits by government allowance is related to the operation of workmen's compensation laws. In Illinois, for example, certain hazardous occupations are covered by a typical workmen's compensation act, the terms of which are made binding on all governmental jurisdictions. Retirement allowances for public employees have not been worked out, however, to take the place of workmen's compensation acts, but rather to deal with the ordinary conditions of public employment in which unusual hazards are rare.

5. Administration of the Fund.

Administration of retirement funds is customarily vested in a board of trustees, comprising usually representatives of the employing body and elected representatives of the members of the system. The federal retirement law, however, makes no provision for employee representation, although for the first years all payments are made from their contributions. The degree of representation varies; where the amounts contributed are substantially the same, a superficial equality is secured by the selection of two groups of equal members, with one neutral member as chairman. Some difficulty has been experienced in Chicago in ensuring the election of proper representatives by the members.

The duty of the board of trustees should be policy determining; the actual administration of the retirement system should be placed in the hands of a competent executive director. The board and the director need expert actuarial assistance. The funds are usually placed in the custody of the treasurer of the jurisdiction concerned. Of more importance is their investment, which is ordinarily governed by the board of trustees.

The composition of the board is an important matter, since it not only controls the funds but also has a certain discretion as to the amount and character of benefits which shall be paid. The issue became prominent in Chicago in 1925 by reason of a bill

introduced in the state assembly at the instance of members of the police force to alter the membership of the existing board in their favor. The board then consisted of three appointees of the mayor, one member elected by the active policemen, and one elected by pensioners. It was proposed to create a board comprising three members appointed by the mayor, three elected by the active police, and the city treasurer, ex officio. With regard to this bill, Mr. George C. Sikes, secretary of the police pension board and a highly competent student of pension legislation, made the following statement: [1]

> This nominally will give the public control of the board by a majority of one. But the appointees of the mayor will not be in control. I contend that in the long run a solid block of three, with a group interest to serve, and powerful politically, as policemen are, will dominate a board of seven, where the other four members do not represent a solid group interest. It probably is thought that the city treasurer in the long run will align himself in the main with the police members of the board, even if it be assumed that all three appointees of the mayor will stand against them, which as to the long run is a rather extreme assumption.
>
> . . . . . .
>
> The Chicago police pension system is, so far as my knowledge goes, the most liberal pension system in the world. This is cause for pride on the part of the citizenship of Chicago. Pension systems are established for the benefit of the employing public, as well as for employees. I contend that representatives of the responsible head of the government should have the dominant control of public pension funds, to insure that such funds serve their public purpose. It is true that some funds vest control in employees, but I hold that laws to that effect were enacted without sufficient consideration of the fundamental questions of policy involved.
>
> *The taxpayers of Chicago are contributing to the police pension fund between four and five times as much as the policemen contribute. On that ground alone, it seems to me that agents of the responsible head of the city government—the mayor—should have clear and decisive control of the board.*[2]

6. The Objects Sought by a Retirement System.

At first pensions provided by governments for their employees were in the nature of benevolence, but gradually the idea spread that the "old and faithful public servant" was entitled to an allowance as a reward of merit. This idea in turn has given

[1] Citizen's Association of Chicago, Bulletin 66 (1925).

[2] The bill became law nevertheless, Laws 1925, p. 208, and the predictions made by Mr. Sikes were verified within six months.

way to the belief that retirement allowances are, in fact, deferred pay, to which employees are entitled as of right. The chief object sought by government in withholding pay to provide retirement allowances is to secure that greater efficiency which is thought to result from the elimination of the superannuated; but other purposes coincide with this.

Although the government as employer is the party chiefly concerned in the retirement system, the interests of the employee and the interests of the taxpayer both as the source of revenue and as "the arbiter of public morals and social ethics" are very important. The purposes sought by the government are enumerated by Meriam as follows: (1) the elimination from its active force of those who have lost their efficiency because of advancing age or long service; (2) the elimination of those who have lost their efficiency in earlier life because of accident and disease; (3) the improvement of the morale of the remainder; (4) the retention in the service of the best of its present employees, many of whom in the absence of such a system resign to accept positions elsewhere; and (5) the attraction to the service of a higher grade of men. But it may be added that care should be taken not to increase the stability of the public service, already too great, by making it more difficult for an employee or official to move from one jurisdiction to another or to resign from the service.

President Taft made himself the champion of retirement legislation and although it was left to his Republican successor to approve the necessary legislation, it can hardly be doubted that his influence counted heavily in the final result. In presenting the report of the Efficiency and Economy Commission dealing with retirement legislation, he addressed Congress as follows: "It is conceded by everyone acquainted with the situation that some action must be taken. Under present conditions the loss to the government will continue to increase. Some method other than the summary discharge of employees when they become inefficient on account of age must be adopted. The present practice of retaining such employees on the rolls and, as they grow older, expecting from them a smaller quantity and lower grade of work can not continue indefinitely without seriously impairing the efficiency of the entire service and imposing upon the government a cost that will be in excess of the expense to be incurred

by the adoption of a reasonable plan for remedying existing conditions."

To understand why superannuated employees were not removed by their official superiors, it is only necessary to read the testimony of a former Commissioner of Pensions. "There was an old man in the bureau who was so thoroughly inefficient that I concluded to dismiss him. He was over eighty years of age, and I had the papers on my desk ready to issue when the next morning, before the dismissal could take place, he dropped dead, and it scared me. If I had issued the order for his dismissal, it might have been charged that I inhumanly murdered him. I have not been able to bring my courage up to the point of dismissing any of those old people." [1]

"Another bureau head," writes Doyle, "in obedience to statute, dropped three aged employees. One died within a few weeks, another within two days, and the third, an old soldier, shortly thereafter killed himself. It is the grim, silent tragedy of the superannuated man."

Statistics gathered by the Taft Economy and Efficiency Commission indicated that of 22,754 employees in the District of Columbia, 951 were seventy years of age or over, and that the loss due to superannuation on their account was $220,000. These figures were declared to be less than the fact. The commission attempted to estimate the amount of future losses from superannuation in the classified service of the District of Columbia if no retirement system were adopted, and arrived at annual sums commencing with $228,000 and reaching $651,000 after the lapse of thirty-six years.[2] These losses the government seeks to eliminate, and at the same time it seeks to make the service more attractive to applicants and members.

It may be noted incidentally that the objects of the government are not attained unless the retirement system is compulsory, a feature to which objection is raised by some employees. A strong theoretical case can be made out for compulsion. The government is insuring its employees, and at the same time attempts to insure itself against keeping incapable persons on the pay roll.[3]

[1] Quoted in Doyle, *op. cit.*, p. 334.
[2] *See* House Doc. 732, 62d Congress, 2d session, pp. 37-45, Report to President on Retirement Allowances.
[3] *See* Massachusetts House Document, no. 2450, 1914, *Commission on Pensions*, and Meriam, *op. cit.*, p. 28.

The objects sought by employees vary somewhat with age; to the older men soon to retire a retirement allowance is in substance an unexpected gratuity. To the younger men and the new entrants the deductions from salary payments for ultimate retirement furnish the protection against the principal hazards of life, ensure systematic saving even from a small salary, furnish a safe investment and by reason of the retirement of the older men open up the opportunity for promotion.

The objections to a retirement system arise in large part out of American experience with military pensions, the enormous expenditures for which have produced among the taxpayers widespread suspicion of pensions. Mr. Taft stated the point in his Congressional message of 1911. "I am aware," he said, "that there is a strong feeling in both Houses of Congress, and possibly in the country, against the establishment of civil pensions, and that this has naturally grown out of the heavy burden of military pensions." Meriam emphasizes the same objection. "The real danger of a retirement system is that it may open the door of the public treasury to a pension graft. The government employees become an organized force with an immediate personal interest at stake, whereas the general public . . . have at most a very slight personal interest in the system, especially if the money to pay the costs of government is collected through indirect taxation. The great danger of such a situation is that little by little the organized, active employees will gain from the legislative authorities, especially just prior to elections, one concession after another." [1]

Other objections which have been put forward include the argument that retirement systems keep in the service men who should be eliminated, that they discourage thrift, and that they create a specially privileged class. Of these arguments the first contains an undoubted element of truth, the importance of which can be diminished by proper development and administration of the retirement plan. It is also said that a retirement system goes to ensure life tenure in office, opposition to which is still widespread.[2]

Coupled with this is a more or less unconscious dread of a

[1] *Op. cit.*, p. 34.
[2] In 1912 President Taft had to veto a bill fixing seven years as the term of office for employees in the classified service.

bureaucracy. But, in common with other great nations, the United States will hardly escape a bureaucracy, and certainly will not mitigate its evils by refusing to make proper provision for its officials and employees.

BIBLIOGRAPHY

The standard treatise on public retirement systems is Lewis Meriam, *Principles Governing the Retirement of Public Employees,* a book which can be commended in highest terms to students of this phase of public administration. A useful brief account is the report of the Committee on Pensions of the National Municipal League, prepared by Paul Studensky, entitled "Pensions in Public Employment, *National Municipal Review,* vol. 11, pp. 96-124 (1922). Bibliographies are found in each of these references. Two suggestive articles are found in *Annals,* vol. 113, at pages 330 and 338, J. T. Doyle, "The Federal Civil Service Retirement Law," and H. H. Baish, "Retirement Systems and Morale in Public Service." Notice is made in the text of this chapter of the Proceedings of the Seventh International Congress of Actuaries.

Public documents dealing with pension systems are numerous. References to English documents are readily found in H. D. Brown, *Civil Service Retirement in Great Britain,* in Sen. Doc. 290, 61st Congress, 2d session, and also in House Doc. 732, 62d Congress, 2d sess., Appendix B. The fundamental American document for the federal government is the report of the Commission on Economy and Efficiency, *Retirement from the Classified Civil Service of Superannuated Employees,* in House Doc. 732, 62d Congress, 2d session. *See also* Hearings before the Committee on Reform in the Civil Service, Jan. 17-18, 1912, Feb. 20 and March 6, 1914, and April 28, 1916; R. W. Sies, Teachers Pension Systems in Great Britain, U. S. Bureau of Education series no. 34, whole no. 544, 1913.

For state and city documents, consult chiefly Massachusetts House Doc. 1400, 1910, *Old Age Pensions, Annuities, and Insurance;* House Doc. 2450, 1914, *Report of the Massachusetts Commission on Pensions;* Illinois, *Report of the Pension Commission,* 1919; *Report of the Police Pension Fund of the City of New York,* published by the New York Bureau of Municipal Research, 1913; Mayor's Commission on Pensions, *Report on the Pension Funds of the City of New York,* 1916.

CHAPTER SEVENTEEN

THE ORGANIZATION OF PUBLIC EMPLOYEES

Public employee unions depend not upon official good will but upon the political and economic power of the organized labor movement.

Sterling D. Spero.

Organizations of postal employees have no official status which may be recognized by the Department. They are not *per se* a part of the postal service, nor are they essential to its conduct or welfare.

Daniel C. Roper.

We shall treat all alike but shall cooperate so closely together that there will be no need of affiliations. I propose to have the situation such that nobody has to have an outside organization to help them get attention from the department.

Postmaster General Hays.

Almost without notice a remarkable transition has taken place in the last twenty years in the organization of public officials and employees. The general drift toward organization was accelerated by the war and although membership has fallen off somewhat in the postwar years, the movement does not seem to have been stopped by adverse conditions. It appears that whether it be thought good or bad, we have to reckon with a constantly growing body of organized public employees in the conduct of public administration in America. It therefore becomes important to inquire into the influence which these bodies now exert or may be expected to exert, and to weigh the advantages and disadvantages to the public service which may flow therefrom.[1]

1. The Extent of Organization.

No systematic study of the extent of organization of public employees has ever been made, and the most that can now be done in dealing with this phase of the subject is to present some

[1] So far as this chapter is a critique of the rôle of government employee organizations, the point of view is that of the citizen who is interested in continuity and efficiency of service, coupled with the well being of the workers in government offices.

scattered facts.[1] Probably the first group of public employees to organize on any large scale was the teachers, for whose benefit the American Institute of Instruction was established in 1830. In 1845 and 1846 Massachusetts and Connecticut grammar school men withdrew to form state associations for their special interests. After 1845 state associations were formed so rapidly that when the National Teachers Association was established in 1857 there were twenty-two in existence. The National Teachers' Association eventually became the National Education Association, which as a loose federation now binds together the bulk of the educational interests of the country.[2]

The Chicago Teachers' Federation is an aggressive group which has had a striking history and has exercised a considerable influence upon local events. Organized in 1897, it now possesses a membership of 5200 and presents a compact, well organized and effective army for the protection of the interests of its members. In 1899 the board of education reduced salaries on account of an alleged lack of funds. The leaders of the Teachers' Federation thereupon decided to inquire into the sources of revenue of the board of education and discovered that certain corporations were not being assessed. With admirable courage they instituted court proceedings against two street car companies, the gas company, the telephone company and the electric light company. Undeterred by an attack in the state legislature upon their pension law they pushed their case through the Supreme Court and won a verdict which resulted in raising the valuation of the properties concerned from $35,000,000 to $263,000,000.

Faced with the prospect of another cut in salaries in 1902, the

[1] A valuable unpublished finding list giving names, addresses, and officers of many organizations was prepared by Dr. Louise Overacker. Her classification comprised (1) scientific and professional organizations in which state officials participate, (2) organizations composed principally of public officials, such as the National Assembly of Civil Service Commissions, the National Conference of State Purchasing Agents, and the Association of American State Geologists, (3) labor organizations in which government employees participate, (4) organizations made up exclusively of employees of the United States government, as the National Federation of Federal Employees, and the various postal organizations, (5) Illinois State employee organizations, (6) Chicago municipal employee organizations. A useful piece of work could be done by preparing such lists for the larger states and cities. *See* Victoria B. Turner, "Mutual Relief Associations Among Government Employees in Washington, D. C.," Bureau of Labor Statistics, *Bulletin*, No. 282 (1921).

[2] Carter Alexander, *Some Present Aspects of the Work of Teachers' Voluntary Associations in the United States*, esp. pp. 19-23 (1910); C. S. Foos, "State Teachers Associations," in *Reports*, Commissioner of Education, 1909, vol. 1, pp. 251-74.

Teachers' Federation accepted an invitation to join the local Federation of Labor. The whole orientation of the teachers was therefore away from the educational point of view of great wealth. This tendency was emphasized in 1910 and 1911 by their vigorous and eventually successful opposition to the Commercial Club plan for vocational education. In 1915 the battle came to a climax over the attempt to drive the teachers out of their affiliation with labor. In September of 1915 the board of education adopted a rule couched in the following terms, "Membership by teachers in labor unions or in organizations of teachers affiliated with a trade union or a federation or association of trade unions as well as teachers' organizations which have officers, business agents or other representatives who are not members of the teaching force, is inimical to proper discipline, prejudicial to the efficiency of the teaching force, and detrimental to the welfare of the public school system" and therefore was prohibited.

The Teachers' Federation promptly contested the validity of this rule in the courts and secured an injunction preventing its enforcement on the ground that it was arbitrary, unreasonable and contrary to public policy. On appeal to the Supreme Court, however, the decision was overruled and the prohibition sustained. The teachers were consequently forced to withdraw from the Chicago Federation of Labor.

It is natural that the Post Office Department should be the scene of early efforts at organization on account of the large number of persons engaged in similar work, but to this circumstance was added the existence of many grievances which precipitated organization at a relatively early date. Each group of postal employees has worked by itself, and of these the letter carriers were the first to organize.[1] The carriers asked that a law of 1868 constituting eight hours a day's work for "laborers, workmen, and mechanics" in federal employ be applied to them. The department refused, and a movement was started in New York to organize the carriers in affiliation with the Knights of Labor. The National Association of Letter Carriers was brought into being in Boston in 1890, and although formal affiliation with the Knights of Labor was never accomplished, many of the

[1] The best account of the postal organizations, written from a sympathetic point of view, is Sterling D. Spero, *The Labor Movement in a Government Industry* (1924).

locals were affiliated, and prominent Knights were elected to the National Association offices. Later the carriers affiliated with the American Federation of Labor. It is now the largest and most prosperous of all the postal organizations. It publishes the *Postal Record.* The attitude of the letter carriers toward the department and Congress has always been conciliatory, and is well expressed by a declaration of a former president: "I shall continue to adhere to the same safe and sane and conservative policy of conciliation and persuasion in advancing the cause of the men and promoting the growth of the National Association of Letter Carriers."

Among the post office clerks the movement for organization has had a stormy history. A local association was formed in New York in 1888, but its officials were dismissed from the service and it suffered from the unbounded hostility of the local postmaster. In 1890 the National Association of Post Office Clerks was organized at Washington with the tacit consent of the Post Office Department. By 1895, however, the attitude of the department had changed, and postal employees were forbidden to visit Washington for the purpose of influencing legislation before Congress. Two years later a secession was brought on by factional troubles, leading to the formation of a rival organization, the United Association of Post Office Clerks. The breach was healed in 1899 by the formation of an entirely new association, still in existence, called the United National Association of Post Office Clerks, and sometimes referred to as the "Unapocs."

In 1897 the American Federation of Labor began to interest itself in the post office employees, but the United National Association early came to a settled conviction that it had nothing to gain by affiliation. This decision, coupled with factional disputes, led to a new secession movement, and the formation, in 1906, of the National Federation of Post Office Clerks, which promptly affiliated with the American Federation of Labor. It has remained to this day the rival of the United National Association.

Neither of the postal clerk organizations reveals the size of its membership, but it is understood that the Federation is now the larger of the two. The Federation publishes a journal called the *Union Postal Clerk,* the National Association the *Post Office Clerk.* The latter is the only important group of postal employees

not affiliated with the American Federation of Labor. From the beginning the methods of the Federation have been more aggressive and fearless, and throughout its history it has been in close touch with the American Federation of Labor.

On several occasions some of its officers or members have been removed from the post office on account of their activities. The *Union Postal Clerk* referred to the retiring postmaster general in 1921 in these words: "Mr. Burleson, of Austin, Texas, who almost succeeded in finishing what Ben Franklin started, our postal service; if his involuntary retirement brings him the joy it brings us, he is a happy mortal."

Other branches of the postal service have likewise organized. The Railway Mail Association, formed in 1899, comprises the "aristocrats" of the postal service. Its chief objectives are to furnish cheap insurance and to lobby for legislation. It has a membership of about 16,000, and publishes the *Railway Mail Postoffice*. It does not have any substantial interest in the labor movement, although affiliated with the American Federation of Labor.

The National Rural Letter Carrier's Association was organized in Chicago in 1903. Its views are represented in the *Rural Free Delivery News*. A dissident organization, the National Federation of Rural Carriers, publishes the *Rural Delivery Record*.

Of more recent origin is the National Federation of Federal employees, an organization with headquarters in Washington and over three hundred locals scattered over the United States, its territories and insular possessions. The National Federation was organized under the ægis of the American Federation of Labor in September 1917 and is today one of the most significant of the many organizations of public servants. The conditions out of which it developed are typical. The cost of living during the early years of the war was rapidly mounting while the salaries of government officials were nearly stationary. Salaries in competitive employments on the other hand were rising and making a constantly increasing margin between private and government service. In February, 1916, Congressman Borland inserted a rider in the executive, legislative and judicial appropriation bill increasing the number of hours of labor from seven to eight per day. Clerks from all departments protested but Congress apparently was not interested. Appeal was therefore made to the

American Federation of Labor for help, and President Gompers responded by intervening personally with President Wilson.

On February 26, 1916, a few clerks in the quartermaster department opened lists for an association; within two days over a hundred names had been secured. A great mass meeting to protest the Borland amendment resulted in several hundred additional members, and in March, 1916, the Federal Employees Union was organized and affiliated directly with the American Federation of Labor. Some months before another federal employees union had been organized in San Francisco. Organizers from the American Federation of Labor were now sent to many cities and new groups were rapidly organized until the time was ripe for the launching of the National Federation in September, 1917. The first convention was called to order by Mr. Gompers in the American Federation of Labor building at Washington.

The National Federation differs from other employee organizations in that it is not organized on craft lines, but on the contrary may include in the same local union any member of the federal service except post office employees. The Federation thus has possibilities of growth which are far greater than the craft or occupational unions, and can lay claims to a generality and breadth of purpose which are denied to the typical craft organizations. The National Federation is unique also in that it draws no line between the higher supervising officials and the rank and file. But officials who have power to "hire and fire" may not hold active membership.

The executive council, composed of the president, nine vice-presidents, and a secretary and treasurer, is the active governing body of the National Federation, subject to the instructions imposed by the annual convention. Three members of the council act as a board of trustees to administer the property of the Federation. The income of the association is derived from a per capita tax of twenty-five cents per month, one-fourth of all initiation fees and fees for charters, and special assessments. The control of local organization is left very largely to the respective unions.

The membership of the National Federation has been subjected to the same general influences which have diminished the ranks of organized labor in the postwar period. At the end of 1917 there seems to have been a membership of about 12,000.

Statistics are not available to present a complete record, but the peak of membership is said to have been reached in 1920 with a total of 48,000. Since that time there has been a considerable decline, owing to the heavy turnover in the service, the large number of dismissals, and the general tendencies which have brought about a corresponding decline in the ranks of the American Federation of Labor. The present (1926) membership is about 32,000. The number of locals, however, has been steadily increasing, at the present time including three hundred and eleven. The gross revenues are about $100,000 per annum.

The National Federation has been actively engaged in defensive and offensive action since its birth in 1917. Springing out of the necessities for defense of the seven hour day,[1] it has consistently fought any attempt to diminish the advantages of the public service. Faced with the constantly increasing cost of living, it has fought successfully for adjustment of salaries, first by the addition of a bonus of $120, then of $240, and secondly by urging year in and year out the necessity of reclassification. Retirement and reclassification have been its two major objectives and each has now been placed on the statute book. It is no exaggeration to say that the influence of the National Federation was an important if not decisive factor in the enactment of both laws.

Affiliated with the American Federation of Labor and depending constantly on their support, the National Federation is said to be a conscious part of the American labor movement. The Federation sends a delegate to the annual convention of the American Federation, and speaks in complimentary terms of the value of their affiliation; but only to a slight degree does it support American labor in its battles with capital. Although the members display a growing interest in labor problems, the outlook and sympathy of the typical federal official or employee are still something different from that of the industrial worker.

The methods of the National Federation are conservative. The officers maintain a lobby at Washington, prepare legislation and arguments in support thereof, and through their monthly publication, *The Federal Employee,* keep up interest in their

[1] Introduced a second time by Congressman Borland, the bill was approved by Congress but on the intervention of President Gompers was vetoed by President Wilson.

program and build up local support to bring pressure to bear on Congressmen in the shape of petitions or remonstrances. During the campaign for reclassification the support of a considerable number of non-labor organizations was enlisted. The Federation is strongly committed to the merit system and in this matter cooperates with the National Civil Service Reform League. No reliance whatever is placed on the strike as a method of securing redress of grievances.

Brief notice may be given to certain significant state organizations of public employees. Of these the New York Forum, established in 1914, is important both on account of its size and its activities. The roots of the Forum, which is a federation of organizations of municipal, state, and federal employees, go back to the formation of the New York (City) Civil Service Association and the Civil Service Association of the state of New York in 1908. Since 1909 the city organization has been under the leadership of Mr. Frank J. Prial, who in his capacities as President of the Association, President of the Forum, editor of the *The Chief,* and official superior of the Secretary of the State Association dominates the whole federation.[1] Outside the Forum are, however, other important groups of organization employees, including the teachers, the patrolmen, and the firemen.

The Forum makes claim to a membership of between 150,000 and 200,000 but such a claim is exaggerated. The total number of federal, state, and city employees in New York state is estimated by the State Civil Service Commission at about 290,000. Of these we can eliminate all employees outside of New York City, almost all the 60,000 teachers and the policemen and firemen and about one-half the post office clerks. In 1923 the number of affiliated groups was twenty-six, of which the New York Civil Service Association was the most important. The Forum issues a weekly publication, *The Chief,* devoted to the interests of federal, state, and local employees.

Although a certain amount of cooperation exists between the

[1] The organizations listed in the first meeting were: Per Diem Employees; Metropolitan Protective Association of Drivers, Sweepers and Hostlers of the Department of Street Cleaning; New York Letter Carriers Association; New York Postoffice Clerks Association; the New York Civil Service Society; Brooklyn Letter Carriers Association; Engineers Benevolent Association; Lieutenants Benevolent Association; Sergeants Benevolent Association; Patrolmens Benevolent Association; see *The Chief,* October 31, 1914.

Forum and organized labor, the Forum has consistently refused to affiliate with the American Federation of Labor. Their attitude on the question of affiliation and use of the strike weapon is revealed in the following statement by the president.[1]

> The attitude of our organization is that any man has a right to join the A. F. of L. but we doubt if it is either wise or expedient. The American Federation of Labor, however, have made it very plain that they don't want strikes of municipal servants and that they stand for law and order. Some of the organizations of city employees already are affiliated with the Federation and have for some time, but there is no strike talk among them. So far as any general joining up with the A. F. of L. is concerned, it seems pretty plain to me that to do that and begin paying in on strike benefits out of our salaries would be a foolish move for city employees. They have no intention of striking, the Federation itself does not want them to strike, and thus such a contribution on their part would mean simply that they were piling up funds for other organizations to use.

The Forum as a matter of fact has placed its chief reliance on its political power. For over a decade it has played the political game openly, urging the election of Democrats and the defeat of Republicans, supporting some bills and opposing others. In 1914 and again in 1918 it sent committees to the state conventions urging planks favorable to the merit system. Repeatedly the Forum issues questionnaires to candidates on certain vital issues. In 1922 it vigorously denounced Governor Miller and urged the election of former Governor Smith. The Forum is constantly active before the board of estimate and apportionment, the state legislature, and even appears at Washington. During the sessions of the constitutional convention representatives of the civil service appeared to urge the right of review, and to oppose veteran's preference. Their social events too are colored by an omnipresent political atmosphere.

Active participation in city and state politics has not proved an unmixed advantage. The city Teachers Federation withdrew in part because it was unwilling to support those manœuvres. The police and the fire organizations were likewise offended by the political attitude of the Forum. The likelihood is that eventually the Forum will become the politically organized Democratic office holders who, as a relatively insignificant part of the city machine, will play no rôle of importance, and who

[1] *New York Times*, September 20, 1919.

will be useful chiefly in maintaining the political position of their leaders.

The bulk of organized city employees in Chicago are found in craft unions, affiliated with the American Federation of Labor as a rule, exception being made of the organized police and fire forces. Of general historical significance is a former society, now defunct, which flourished for nearly two decades, the Civil Service League. The League was in a way one of the most remarkable of local employee organizations. Organized in 1901 to secure the observance of the merit system, it remained throughout its history under the influence of an ideal of the public service which is unfortunately rare in American public life. Its chief activity consisted in the defense of members of the classified service who were unjustly treated by their superiors. The law governing the city service has always allowed a right of hearing before the civil service commission, a right which became the chief weapon of the League in defense of its members. The idealism of the League proved to be a weakness as well as a source of strength for, unwilling to defend members whose records were not unimpeachable, it constantly lost members who were not given support. Throughout its career the League never made an appeal for higher salaries, either for individual members or for the service as a whole. The membership never was large; and the demoralization of the city service by an administration hostile to the merit system sounded the knell of the League as an active force. In this group perhaps as clearly as in any organized body of employees could be found a splendid concept of public service which gave moral strength and renewed courage to its members throughout the attacks of city spoilsmen.

An important organization, organized to secure the adoption and to protect the provisions of the pension law, is the Municipal Employees Society. It has a membership of over 1500 scattered throughout the various branches of the service. The objects of the society are strictly limited to matters concerning the pension law, and it takes particular care not to become involved in political or controversial matters of an extraneous nature. The leading members of the defunct Civil Service League are also members of this society.

The Engineering Employees Association is an active organization which includes in its membership a large proportion of

the engineering staff. There is also a union of engineering employees, affiliated with the American Federation of Labor. The Association cooperates with the American Association of Engineers and the Western Society of Engineers. The main objective of the Association is, at present, to correct the salary scale. It publishes for the city finance committee an admirable exposition of the financial status of the engineers, well illustrated with charts and comparative statements. There is a considerable turnover among the engineers, especially among the younger men, and many of those who remain are compelled to do outside work. They remain in the service, according to their statement, for three reasons: (1) interest in their work and connection with big projects, (2) pensions, (3) the difficulty of transferring to work in industrial concerns.

Among the many unions the Office Employees Association, Local 12755, is of interest. It was established in 1916 after a representative of the unorganized clerks was told by the finance committee that they were hearing only labor organizations. The union carries on social activities, an annual excursion, and gives particular attention to raising the salary scales. It is now faced with a rival in the Municipal Clerks Ex-Service Men's Association, whose aim is to get improved conditions of employment. A union with a certain professional outlook is the Sidewalk Inspectors Union, Local 14771.

The Scientific Laboratory Workers Union, Local 16986, includes the permanent chemists, bacteriologists, and laboratory helpers of the department of health. Temporaries are not admitted to membership. There are two classes of membership; full members are those with a bachelor's degree from a recognized college, or two years in such an institution with two years' experience along scientific lines; apprentice membership is open to laboratory assistants until they have qualified for full membership. The union has little connection with the Chicago Federation of Labor beyond the payment of dues, and is primarily a departmental organization. In addition to many other unions of city employees there are the customary craft unions which cover their members who may be working for the city.

The fact that ninety per cent of the city employees are organized indicates a wide belief in the effectiveness of organization. During budget making time these groups are active and

alert; between times there is a slump. There is no doubt that the finance committee is impressed by large and strong organizations backed by the Federation of Labor. The limitation of size, however, is serious. Small unions have little influence. Another limitation is the unwillingness of the technical and professional employees to employ the tactics which help to make the large unions successful, i.e. strike, threat of strike, and political influence.[1]

In concluding this section some general observations may be ventured concerning the facts of employee organization in the public service. Although there are some exceptions it is on the whole true that unionization of the public service is a phenomenon of the twentieth century. Since 1900 there has been a steady increase in the number of organized employees, a rapid increase during the war, followed by a reduction from the peak reached about 1920; but at the present time there is no indication of a further loss. Unions and organizations are therefore to be considered as normal and recognized factors in the administration of the public business. The causes for the emergence of an organized body of public servants are many, some of a special character, others revealing themselves as general conditions characteristic of the period. Organization is a part of the social atmosphere of the twentieth century, and the movement in the public service is quite in harmony with the general drift of the times. Since 1900 there has been on the whole a rising scale of prices which, accentuated during the war, forced the public servant to carry a constantly increasing burden which was little appreciated by legislators and budget making officers. Low wages and salaries more than any other single cause account for the union in the public service. Other causes of irritation contributed to the same end; thus the National Federation of Federal Employees sprang from an attack on the seven hour working day, the Federation of Postoffice Clerks grew out of a desire to affiliate with the American Federation of Labor, and the Civil Service League was founded to support the merit system. Grievances, real or fancied; common objects to be attained; common ideals to be realized; a single social consciousness to be fostered; these are the bases on which in differing degrees the various organizations rest.

[1] A list of Chicago organizations and unions is printed in Appendix B.

2. The Uses of Employee Organizations.

In general the results to be anticipated from organization of public employees are the development of group consciousness, and the employment of this sentiment of common needs and interests toward the general improvement of their position; an increase in the influence and power which they possess by means of the collective presentation of claims, joint defense of their status, and their recognition in a highly organized society as one of the important groups whose attributes and interests must be reckoned with.[1]

There can be no doubt that organized employees in the public service have played in many ways a useful rôle in the conduct of public administration. The interests of the employees are in many cases the interests of good administration. This obviously is true in so far as the support of the merit system is concerned, and in this particular more surely perhaps than in any other have the employees done yeoman service. Quick to ascertain any violation of the rules, they are frequently ready to oppose these violations, because their own collective interests suffer whenever the orderly process of appointment, promotion, and discipline is broken down. In more than one city these employees have been the only effective agency to check a return of the old spoils system; and in the federal jurisdiction they certainly are to be counted as among the leading practical supporters of the merit system. Less obviously but nevertheless certainly the interests of the employees in urging retirement legislation, standardization of salaries, and healthful working conditions are in harmony with good administration.[2]

Collective presentation of grievances through the officers of these organizations is also desirable, as contrasted with individual complaints personally presented. Collective machinery tends

[1] The civil services of Great Britain, France, Germany and other countries are highly organized. Consult William A. Robeson, *From Patronage to Proficiency in the Public Service* (1922); Jacques Busquet, *Les Fonctionnaires et la Lutte pour le Droit* (1910); Raphael Alibert, *Les Syndicats, Associations, et Coalitions de Fonctionnaires* (1909); von Scherf, *Die Entwicklung der Beamtenbewegung und ihre Interssenvertretung* (1919); and such periodicals as *The Civilian, The Quill, La Tribune du Fonctionnaire*, and *Deutsche Beamtenzeitung*. An important criticism of the rôle played by a large body of British civil servants is by Hugo R. Meyer, *The British State Telegraphs* (1907).

[2] This statement does not imply that every pension plan or classification advocated by government employees has been sound; merely that their general influence has been good.

to eliminate unfounded criticisms and trivial complaints, and to emphasize the general grievances which deserve consideration. Moreover the assumption of responsibilities by the association tempers the critical attitude which may easily develop, while frequent consultation of employee representatives with public officials educates both parties to some conception of the views and circumstances of the other. From the point of view of legislative bodies it is of great benefit to have a single comprehensive and responsible statement of claims rather than a multitude of sectional or factional or individual claims.

These associations form also a useful channel through which the supervising officials can present the views of the department to the employees. Many times an order or a regulation would be less effective than an informal statement from the chief of the department, especially if prior consultation may have secured the favorable attention of the leaders of the association. There is a real and permanent desire to cooperate among the employees which is most effective when organized and directed.

Morale is a compound of many elements some of which center around the consciousness of corporate unity and corporate relation to the common work. Unorganized and leaderless groups of men do not develop morale; organization in itself may or may not, but if the proper stimulus is given it may become a powerful factor in the upbuilding of morale. The monthly journal, the annual convention, the local meetings, the habit of coöperation, mutual support in times of stress all gradually develop an *esprit de corps* which is characteristic of a permanent body of public servants. A department chief, endowed with tact, sincerity, and ability to speak can weld such a group of men and women into a loyal and vigorous organization. The associations not only tend to develop a service *esprit de corps,* they also tend to develop a national point of view. The larger federal organizations are nationwide in scope and membership; their conventions unite delegates from all parts of the United States and its possessions; their discussions range from Alaska to Porto Rico and over all continental America; and although their content may at times be narrow, the interest is keen.

Large possibilities in the way of utilizing these organized groups for better administration remain to be developed. The attitude of high officials has not on the whole been cordial to suggestions

coming from the rank and file, and the rank and file have never shown any particular initiative in problems of efficiency, better methods, or elimination of waste. To a certain degree this may be inevitable, for better methods may mean fewer jobs. On the other hand, it is certainly possible to draw out of the 500,000 federal employees suggestions of the highest value for the betterment of the service. To a very slight degree only have American organizations turned their attention to the development of professional standards, a movement already well developed in England under the leadership of the Society of Civil Servants and the National Association of Local Government Officers. Unlimited opportunities for the elevation of the public service to the ranks of a recognized profession, the definition and maintenance of professional standards and ethics, and the training of younger employees in the practice of the profession await cultivation.

An impartial observer of various types of organizations of public employees will also notice certain characteristics which from the point of view of sound administration are not commendable. From time to time their interests and the public interests diverge, and they come into conflict with public authorities, or run counter to public opinion. It may be doubted whether the agitation for a judicial review of removal from the classified service, a project included in the program of many groups, is in harmony with the public interest. Certainly the policy of some organizations to defend their members at any cost, whether properly subject to discipline or not, is to be condemned. On rare occasions some organizations have resorted to threat of strike and have sometimes gone out on strike. More commonly the organization merely develops an antagonistic attitude toward the administration, refusing cooperation and hampering effective work in a score of petty ways. Sometimes, too, local organizations push their political activities to offensive degrees.

No organization of public servants fails to include in its program an affirmation of its desire to improve the service. On the whole it must be said that their practical means of securing this end have revolved chiefly about increased salaries, lower hours and better working conditions. In so far as these things raise the morale of the service, this may be a useful and necessary program. The record of public employees in the federal service

on scientific methods (time and motion studies), the attitude of the New York city employees on standardization, and the hostile attitude of the Forum toward the Bureau of Public Personnel Research are, however, disappointing.[1] Little positive contribution toward a more efficient service can be credited to the organized employees.

Other problems relating to the public employee unions or organizations are viewed by some as involving dangers to the public service, by others with equanimity. Several of these disputed matters will be reviewed in the following paragraphs, commencing with the right to organize itself.

3. The Problem of Affiliation.

In the United States the legal and moral right to form professional associations, occupational group organizations, and unions in the accepted sense of the word is widely although not universally recognized. So far as is known, the legislation of Congress gave no recognition to the problem until 1912, although several important national organizations had been in existence for many years. In 1912 Congress formally recognized the right of members in the classified Civil Service to form organizations, to affiliate with outside organizations not imposing any strike obligations and to present grievances to Congress. This statute also repealed the well-known order of President Roosevelt, commonly referred to among employee organizations as the "Gag-rule"[2] which applied to associations as well as individuals. The law is commonly understood to have brought these organizations under the ægis of Congressional approval; it did not, however, control the attitude of department heads, among whom there have been in the last ten years well-known cases of hostility. So far as is known, the different national organizations have not yet been officially recognized by departments, although working relations are now universally maintained.[3] In the state governments the issue has not been drawn; but in many municipalities it has furnished exciting incidents. The issue usually

[1] The tactless manœuvres of the New York city officials gave considerable reason for the opposition of the organized employees to this reform.

[2] See Mayers, *Federal Service*, pp. 548-50.

[3] Mr. Will Hays appointed the national officers of the postal unions members of the postoffice welfare councils; and the President of the National Federation of Federal Employees has in effect officially represented federal employees on various occasions.

is focused on the right of certain special classes such as police and firemen to unionize; the chiefs of police and fire departments almost always oppose this tendency, urging instead of an independent organization, some "official" union. Mayor Mitchell proposed employee councils during the early years of his administration in New York City, but the muncipal employees, fearing that they were designed to break up their own associations, would have nothing to do with them. Commonly, however, all classes of employees are understood to be entitled to form associations for the mutual benefit of members, which can be sought in many ways without crossing the path of public interests.

Entering upon more controversial ground we may discuss the desirability, from the point of view of good administration, of their affiliation with other organizations, for the most part labor unions, and usually the American Federation of Labor. The attitude of the American Federation on this matter is clear enough.[1] Regarding the employees of government as belonging to the working class, they desire their organization and affiliation, and actively take the initiative in some cases to bring about this result.

The question may be asked, what is involved in affiliation, say with the American Federation of Labor. Affiliation means in the first instance an organic connection between the government employee and organized labor. This connection may indicate much or little; it may mean merely an occasional contact between the officers of organized social groups, with little real sympathy or understanding. By the rules of the American Federation of Labor affiliation involves the payment of monthly and special assessments to the common treasury, but not to the strike fund. Affiliation involves the obligation to send delegates to the annual meeting of the Federation, and provides opportunity to participate in the discussion and settlement of those problems of interest to organized labor. Affiliation means that the American Federation of Labor will be ready to assist the government employee in securing approval of his requests by Congress or by the department. Such assistance has taken the form

[1] The general labor situation may be studied in Robert F. Hoxie, *Trade Unionism in the United States* (1917); Paul H. Douglas, Curtice N. Hitchcock, and Willard E. Atkins, *The Worker in Modern Economic Society* (1923); Solomon Blum, *Labor Economics* (1925).

of appearance before legislative committees, appeals to the President, general publicity, and appeals at the time of elections for the support or defeat of candidates. Assistance may be expected also in furthering the growth of the organization and in mediating between rival organizations. On a local scale, affiliation means normally a place for the government employee on the central labor union, although this privilege is not always used. Affiliation with the American Federation of Labor does not mean that government employees assert a right to strike on their part, nor are they encouraged to strike by the Federation, nor can the Federation require them to participate in a sympathetic strike. Affiliation may be supposed to result in an attitude on the part of the government employee sympathetic to organized labor, although it does not appear (with some exceptions) that this attitude is now widely extended.

Among the various employee organizations there is no unanimity of opinion on the desirability of joining with organized labor. Some are actively opposed to affiliation, others are eager to secure widespread affiliations, while some affiliated organizations seem not to feel any real sympathy with organized labor, maintaining only a formal relationship. The United National Association of Post Office Clerks has taken an emphatic stand against affiliation. In its magazine, the *Post Office Clerk,* it states its attitude as follows:

> As civil service employees, postoffice clerks have certain obligations, certain restrictions, not common to the civilian world. They take an oath to their country similar to that taken by soldiers and sailors. They are forbidden to participate in politics for their own good. Participation in politics means promotion for reasons other than merit; it means political assessments by various political parties; it means the debauchery and spoliation of the civil service. Civil service employees are forbidden to threaten the government either openly or by implication. They are forbidden to strike against the government. . . . Affiliation (with the American Federation of Labor) can have but one object and that is to threaten the government Outside labor organizations insist on the right to strike against the government, and also participate in politics. . . . No greater danger faces the country than the possibility of domination of the government service by labor organizations. It means a politico-labor bureaucracy. . . .

The National Federation of Federal Employees on the other hand looks upon affiliation as a natural and useful arrangement.

It seeks the aid of the American Federation of Labor when necessary, pays the regular assessment, sends delegates to the annual labor conventions, and cooperates rather closely at Washington. The Federation of Post Office Clerks looks upon its affiliation with organized labor as one of its characteristic policies, indicating a sentiment of solidarity with the labor movement and taking for granted reliance upon help from without government circles, when necessary, to secure the fulfillment of its program.

From another point of view it is of interest to inquire the opinion of Congress and high officials, and such agencies as the National Civil Service Reform League. Officially Congress has now sanctioned the right to affiliate. Many Congressmen, however, have spoken individually against any affiliation with outside organizations. During the debate on the retirement bill of 1920 an amendment was proposed in the Senate directed against any employee who was a member of any organization of government employees which was affiliated with, subject to, or a member of any higher or superior body or institution of organized labor. In favor of this amendment four chief lines of argument were advanced: first, that the American Federation of Labor had taken a position against the government in the steel strike and the coal strike, and that affiliation therefore put the employees in the position of being against the government; second, that the American Federation of Labor was a class organization and that it was improper for one in the government service to affiliate with such an organization; third, that the Federation engaged in political campaigns against Congressmen who had incurred its disfavor and that affiliation therefore put the organized federal employees in the position of conducting political warfare against members of Congress; and fourth that through affiliation, the federal employees were seeking to coerce Congress into the enactment of legislation favorable to their own interests.[1] The amendment was not accepted by Congress.

Mr. Burleson represented the dangers of organization and affiliation to Congress on several occasions while serving as Postmaster General. The following excerpts from his annual report in 1917 give a summary of his position.[2]

[1] Mayers, *op. cit.*, p. 557.
[2] Annual Report of the Postmaster General, 1917, pp. 31-35.

Some of the organizations maintain representatives in Washington for the purpose of influencing legislation and presenting grievances, many of which are imaginary. By distorting and misrepresenting the facts they encourage disrespect for administrative officers, disloyalty to the service, and make the maintenance of discipline extremely difficult. . . .

These organizations hold national and state conventions, and some publish journals. The time of these conventions and the space in these journals are devoted entirely to matters of selfish interest.

(After reference to war conditions) It is regrettable to state that the organized postal employees are making many selfish demands and insisting that they shall not be required or permitted to work in excess of the usual number of hours; also that their salaries be permanently increased, although they are justly compensated, receiving more than three times as much as those fighting in the trenches. . . .

These organizations . . . attempt to control political as well as legislative matters and openly boast of the influence they claim to exert in the furtherance of their selfish interests.

They should be permitted to form organizations for their social and mutual welfare, appear before committee in Congress when requested, and give any information concerning the Postal Service of which they may have knowledge; but the forming of organizations for other purposes, such as interfering with the discipline and administration of the service, the control of the election of persons nominated for public office, or enactment of legislation for their selfish interests and not for the welfare of the public, should cease.

The relations between the employees and the government are always matters of public information, and the interests of employees will always be protected by public sentiment. The reasons for justifying organization among other employees . . . do not therefore exist in the case of government employees. They can always depend upon public opinion to insure their enjoyment of their full rights under employment.

The National Civil Service Reform League may be taken as representing perhaps the best informed opinion outside the ranks of the public service. By resolution adopted at the annual meeting in 1919, the League defined its positions as follows:

The National Civil Service Reform League recognizes the wrongs under which public employees now suffer in relation to salaries and conditions of work, and believes that the situation is one imperatively calling for reform.

We believe that the remedy for this situation that has been widely sought in the organization of public employees in affiliation with industrial trade unions carries with it grave dangers to the state, involving as it does the possibility of strikes and the confusion of po-

litical and industrial questions; and we are persuaded that the remedy should be sought rather in the free and frank cooperation of government officials and government employees in councils that would secure to employees an adequate voice and influence in fixing their scale of compensation and conditions of labor.

So far as concerns the *professional* associations including public officials mainly or partly, their inter-relationship with other professional or scientific groups is an unmixed gain. Their own professional status is emphasized and the government gains whatever advantage there may be in the stimulus and support of an organized professional society. Professional organizations overlapping public and private service have an important function which is yet only dimly perceived and seldom recognized, the protection of their members against political interference in the public service, and insistence upon professional freedom and professional standards wherever their members may be employed. It is too commonly possible for a physician or an engineer employed by city or state to be the victim of the worst kind of spoils politics without a protest from the medical or engineering association. The university teachers through the American Association of University Professors manage things better.[1]

No single answer can be given to the problem of affiliation with trade unions. The situation is obviously different in the case of manual laborers and artisans who may be in public employ, temporarily or permanently, in the case of that great group who may be called collectively clerks, and in the case of certain services the importance of which is unique, such as the maintenance of order and the defense of life and property: police, fire, sanitation, and to a less degree educational service. Few, if any, deny the right to affiliate to the artisan and laborers; some deny it to the clerks; and probably most would deny it to the police, firemen, and teachers.

So far as the employee is concerned, it seems clear that at the present time he receives much and gives little. He becomes

[1] See the *Bulletin* of the American Association of University Professors for statements of cases in which the association has defended the interests of its members. For a significant case in which the engineers came to the defense of one of their number, consult facts in the Arthur Powell Davis removal, *Good Government*, vol. 40, pp. 145-57, 183-84 (1923); *ibid.*, vol. 44, pp. 52-53, 65-69. The Chicago Metropolitan Chapter of the American Association of Engineers denounced the political assessment of engineers employed by the state of Illinois. See *Chicago Tribune*, March 12, 1926.

entitled to and on occasion uses the influence of organized labor. He pays certain small assessments, but remains his own master, free to support the policies of the American Federation or not as seems to him wise or just. He cannot be called out on strike and only indirectly, and then to the degree that he voluntarily undertakes, can he be put in the way of opposing the government by supporting strikes in industry. Such organizations as the National Federation of Federal Employees speak emphatically of the value of the support of the American Federation; but the latter can hardly find any important present strength from among the ranks of the 30,000 members of the National Federation.

From the point of view of sound administration several considerations must be weighed in the balance. A properly organized relationship of the civil service to the politically responsible officials should include arrangements by which the employees can be assured at least of due consideration for their collective representations, and should be so organized as to call forth the willing cooperation of the great mass of employees, while preventing the development of any sentiment of hostility or conflicting interests, the defense of which causes the employee to find it necessary to look elsewhere than to responsible authorities or the electors for support. There can be no doubt that on theoretical grounds affiliation with outside organizations is undesirable, nor can there be doubt that the attitude of government employees toward government has been in America entirely reasonable, "if not submissive," and that affiliation has been resorted to by groups of employees in the face of conditions which gave on the whole adequate excuse. Mr. Burleson's assertion that the interests of employees will always be protected by public sentiment reminds one of the dictum of his eminent colleague proclaiming the readiness of a million armed men to spring from the ground at a stamp of the foot in time of danger. Both stray from the facts.

The undesirable results which may be conjectured to flow from affiliation are principally three: that the feeling of class consciousness may be unduly cultivated and developed; that the organized public employees even against their will may be implicated in industrial disputes, bringing about a series of compromising situations; and that the political power of public

employees will be substantially increased and may be diverted from ends toward which it may be properly applied.

Class consciousness of a kind is typical of any body of public servants holding office for long periods of time. The multitude of employee organizations is sufficient witness of the fact. The sort of class consciousness to which reference is made here is rather the sentiment of common status, common wrongs, and common needs shared by government employees with the great mass of organized labor. Affiliation of public employees in most cases has been of so recent origin that this attitude has not developed very generally, and in some cases it may never become characteristic. On the whole, however, affiliation will naturally tend toward turning the attention of government employees toward the problems and attitudes of labor. Whatever may be the immediate likelihood of this eventuality the development of class consciousness in the public service not only runs counter to accepted American traditions, but also holds promise of creating and intensifying difficulties between officials and employees.

Affiliation necessarily carries with it the implications, whether justified by the facts or not, that the affiliated employees are thereby to a certain extent committed to the support of their associates. A clear illustration of this is found in the case of police, whose affiliation with organized labor is thought to impair their impartiality, especially when the police are called on to do strike duty. Labor frequently now conceives that the police are, in fact, subject to the influence of capital and in many important strikes have complained about the attitude of the authorities responsible for public order. The fundamental importance of the maintenance of order makes the freedom of the police forces from partiality or bias a consideration of the first importance. Even though we grant that affiliation actually brings no bias to the mind of government employees, nevertheless in the minds of the public there remains the suspicion that the impartiality of the public servant has been compromised; and this in itself is a serious fact. This may be illustrated by supposing analogous cases, such as the police affiliated with the Chamber of Commerce, or the organized factory inspectors affiliated with the state association of manufacturers, or the pure food chemists with makers of artificial foods.

Affiliation finally increases the political power of the public

employees, offering the temptation to secure the adoption of their program through the implied threat of reprisals at the polls. Standing alone the public employees are too widely scattered as a rule to count very heavily in the political scales, but aligned with the labor vote they may occupy a strategic position. On several occasions already hostile Congressmen have been retired, if the organized public employees can be taken at their word, by the united efforts of labor and civil servants.[1] Concerning the justifiability of these methods opinions differ. Congressmen are naturally loud in their denunciation of these "semi-treasonable" activities, and the rules of the Civil Service Commission forbid political activity of the more extreme sort. The public servant has a strong case, however, for the exercise of the privilege common to all adult American citizens. No one proposes to return to the eighteenth century English rule depriving civil servants of the right to vote. Experience has demonstrated that the right to petition needs some sanction to produce results and if the economic sanction be denied, the political sanction can hardly be refused.

As a rule affiliation with the American Federation of Labor is at present one of form rather than a union of spirit. The civil servant in America does not on the whole consider himself a part of the organized labor movement. The civil servant does not think of himself in the master servant relationship, he is not aware of the pressure of capitalism upon himself and his fellows, he does not contemplate the possibility of a strike against his employer, and however unsatisfactory his present condition may be, he hopes by promotion to a better office to remedy his status. Far from possessing the initiative and vigor to urge his claims upon the attention of department heads and legislators, he more commonly justifies the complaint of his leaders and too patiently waits for promotion to a higher and more promising official station.

The attitudes of organized public employees are conservative. They represent the social status and point of view of the more substantial working class and the middle class. Their leaders are on the whole more aggressive than the rank and file but almost universally there is a complete absence of what might be

[1] Note cases of Congressman Loud (Mayers, *op. cit.*, pp. 547-48) and Congressman Borland.

thought radical tendencies. They seek improvement of their condition but do not look forward to any fundamental reorganization of society, as do many of their fellow workers in the French public service.[1]

Affiliation of government employees with labor organizations is therefore to be regretted, but if the government fails to meet the claims which employees consider legitimate or provide machinery for their due consideration, it must be anticipated that public employees will join forces with industrial workers to strengthen their hand.

4. The Methods of Employee Organizations.

This naturally brings up for consideration the methods used by the organizations of government employees for the fulfillment of their purposes. Individual grievances are usually handled through a committee of the local union by direct conference with the managing officer, or the district supervisor. Conference has proved to be adequate to handle the great bulk of this type of cases. General grievances, such as wages or salaries, conditions of promotion or retirement are handled through the national offices, either by consultation with department officials or by petition to Congress for remedial legislation, or in the cities, by union delegates. The petition may take the form of a drafted bill, supported by briefs and oral argument before committees. Other organizations may be brought in to strengthen the case of the employees. Other forms of pressure may be resorted to. A lobby may be supported. Members of Congress or of the state legislatures may be given to understand that the voting power of the organization and its friends will be turned against recalcitrants. Finally as the last resort preparations may be made for a strike.

There have been very few instances of the threat to strike in the American public service, and nothing could be farther from the purpose of the great mass of organized government employees in the service today. A small number of unorganized postal clerks in Huntington, West Virginia, once resorted to a strike; not infrequently there have been threats or actual strikes of small groups of city employees; and a few cases of police and

[1] Consult Georges Cahen, *Les Fonctionnaires* (1911); Maxime Leroy, *Syndicats et Services Publics* (1909); Alexandre Lefas, *L'Etat et les Fonctionnaires* (1913).

firemen who stopped work in order to tie the hands of their superiors. Such a strike threatened in Washington, D. C. in August of 1919, but was avoided by the firm stand taken by Commissioner Brownlow. The most serious case on record in the United States is the case of the strike of the Boston police force in September, 1919. The controversy in this case arose at first over demands by the men for higher salaries, demands the justice of which was later recognized by the police authorities. A second issue arose, however, which was destined to obliterate the first—namely, should the police be allowed to form a union and affiliate with the American Federation of Labor. An association of policemen had long been in existence; in the summer of 1919 it was transformed into a union to which were given the funds of the former organization and steps were taken to affiliate with the American Federation of Labor. This action was taken against the orders of the police commissioner, who immediately suspended a number of the leaders. The response was a strike which included more than ninety per cent of the whole force, and which plunged the city into three days of rioting and law breaking which was brought to an end only by the arrival of the state militia from the western counties.

The position taken by different groups was significant. The press was a unit in opposition to the strike. The public was also opposed to the strike, although before it came opinion was divided. President Gompers pointed out that the constitution of the police union forbade strikes, and that the American Federation of Labor was opposed to strikes by police unions, and asserted that the fault lay not with the police but with the conditions of work imposed on them. Governor Coolidge, to whom the police commissioner was responsible and who took personal charge of the situation, denied the right to strike in categorical terms, and used vigorous methods to repress the disturbance. The whole matter finally became the issue in the succeeding November election, and by the re-election of Governor Coolidge the people of Massachusetts indicated their approval of his position.

The most systematic American defense of the recognition of the right of public employees to strike is found in Spero, *The Labor Movement in a Government Industry*. Spero classifies the activities of government into four groups: (1) "administration

activities," (2) public service functions such as education, postal service and the like, often carried on by both private enterprise and by public authority at the same time, (3) industrial functions, such as arsenals, navy yards, printing plants, and the like, (4) the sovereign or governmental activities such as law enforcement, police, and prisons.

After discussing briefly the status of the first three of these classes, Spero continues:

> The primary functions of government, it is said, are in a class by themselves, and are comparable to no other activities. But admitting this uniqueness, it still seems hardly logical to deny public inspectors or policemen the right to organize and strike on the grounds that such action on their part might interrupt the sovereign processes, when employees of basic privately owned industries such as transportation or telephones and telegraphs are permitted to use their industrial power. The fact of its uniqueness entitles governmental power to no extraordinary privileges. The so-called primary functions of the state have no inherent qualities which entitle them to special considerations. They have no justification beyond their service to the community.

In reply to the argument that public employees should maintain intact their impartiality toward social and economic classes, Spero expresses the view of "a large section of the wage earning population which looks upon government as the agent of the dominant group in society." "They believe that the affiliation of public servants with the labor movement would tend to overcome what they feel to be the existing balance against the wage worker, and the partiality which the class prejudices of the higher officials so often direct in favor of the owners of property would be in a measure offset by the bond of union between the wage-earning laborer or artisan and the wage-earning policeman." [1]

This extraordinary doctrine may be contrasted with a statement by President Butler of Columbia University.

> In my judgment the fundamental issue is perfectly clear. Servants of the state in any capacity—military, naval, or civil—are in our government there by their own choice and not of necessity. Their sole obligation is to the state and its interests. There is no analogy between a servant or employee of the state and the state itself on the one hand, and the laborer and private or corporate capitalist on the other. The tendency of public-service officials to organize for their own mutual

[1] Sterling D. Spero, *The Labor Movement in a Government Industry*, ch. 1.

benefit and improvement is well enough, so far as it goes. The element of danger enters when these organizations ally or affiliate themselves with labor unions, begin to use labor union methods, and take the attitude of labor unions toward capital in their own attitude towards the state. In my judgment loyalty and treason ought to mean the same thing in the civil service that they do in the military or naval services.[1]

Spero states his own position in the following paragraph. "There is a real distinction between the government as the instrument of public authority and the government as the employer of its civil servants. Public authority is exercised over the citizen body. Civil employees in their capacity as citizens are as subject to it as others are. They owe the government those loyalties and allegiances which all citizens owe it. . . . As civil servants, on the other hand, they are hired to do specific kinds of work. The authority which their supervisors exercise over them is administrative or professional and is limited to the conduct of their work." [2]

As a method of reaching decisions in questions of personnel management the strike has no place in public affairs. Quite apart from the inconveniences which make its rôle in private industry an evil, if at present a necessary evil, in the public service the strike opens up the likelihood of disturbance the consequences of which are intolerable. On the other hand, the conditions of labor which prevail in public work may be or may appear to be intolerable, while the prevailing methods of securing relief may prove to be inadequate. The statesmanlike escape from this dilemma is the provision of more adequate means of securing redress of grievances, whereby crises such as occur from time to time in the public service may be avoided.

5. Joint Councils and Employee Organizations.

Such means of adjustment are rapidly developing. In part they consist in the organization of employees and the collective presentation of their claims. In part they consist in the provision of special machinery for conference and conciliation. In Great Britain important steps have been taken in this direction. Following on the report of the Whitley Commission recommending joint councils for the adjustment of industrial disputes

[1] *New York Sun*, May 18, 1909, quoted by Spero, pp. 17-18.
[2] *Op. cit.*, p. 20.

in private industry, the question arose concerning the application of the joint council plan to the public service. After preliminary conferences a Provisional National Joint Committee was organized and in turn recommended a constitution for a National Council.[1] The leading provisions of the constitution follow.

The Council is to consist of fifty-four members, including four Secretaries, one-half to be appointed by the government, one-half to be elected by six groups of staff associations, the postoffice associations, the Civil Service Federation, the Civil Service Alliance, the Society of Civil Servants and Association of First Division Civil Servants, the Institution of Professional Civil Servants, and the Temporary Staff Association. The general objects are stated to be "to secure the greatest measure of cooperation between the state in its capacity as employer, and the general body of civil servants in matters affecting the civil service, in a view to increased efficiency in the public service combined with the well being of those employed; to provide machinery for dealing with grievances, and generally to bring together the experience and different points of view of the administrative, clerical, and manipulative civil service.

The specific functions include (1) the provision of the best measures for utilizing the ideas and experience of the staff, (2) means for securing to the staff a greater share in and responsibility for the determination and observance of the conditions under which their duties are carried out; (3) determination of the general principles governing conditions of service, e.g. recruitment, hours, promotion, discipline, tenure, remuneration and superannuation; (4) the encouragement of the further education of civil servants and their training in higher administration and organization; (5) improvement of office machinery and organization; (6) proposed legislation so far as it bears upon the position of civil servants. Decisions of the Council are to be arrived at by agreement between the two sides, "shall be reported to the Cabinet, and thereupon shall become operative, subject to the responsibility of the Cabinet to Parliament." In addition to the National Council the constitution provides for departmental councils and for district and office councils. A substantial part of the British service is now organized under these provisions.

[1] See Parliamentary Papers, 1919, vol. 11, *Report on the Application of the Whitley Report to the Administrative Departments of the Civil Service.* This document may be found also in *Good Government*, vol. 36, p. 158. See especially G. H. Stuart Bunning, "Whitley Councils in the Civil Service," *Journal of Public Administration*, vol. 2, pp. 172-83 (1924).

Following the strike of the London police in 1918, Parliament enacted legislation (9 and 10 George V, c. 46) providing for the organization of the police in an official union, known as the Police Federation.[1] The law constitutes each local force a branch of the Federation and makes provisions for an annual conference of each of three grades, constables, sergeants, and inspectors. Each conference selects a central committee of six which may sit as a joint council for conference with the home secretary. The powers and functions of the Federation are in general to enable the members of the police force to consider and bring to the notice of the police authorities and the home secretary all the matters affecting their welfare and efficiency, other than questions of discipline and promotion affecting individuals. The Federation and every branch thereof must be entirely independent of and unassociated with, any body of persons outside the federal service. No member of the police force may become a member of any trade union. Any person attempting to cause disaffection among the members of the police force is subject to severe penalties.

In the American service a few examples of the same sort of machinery for conference and adjustment of grievances can now be found, although on the whole our departments are still without any institutions of the kind. In the Postoffice Department has recently been installed a series of councils.[2] In the endeavor to "humanize" the service, Postmaster General Hays organized a welfare department in June, 1921, which has concerned itself with such matters as sanitary and lighting conditions in the postoffice, rest rooms, cafeterias and the like. A national welfare council has also been established consisting of the officers of the national postal organizations, under whose direction local welfare councils were set up in the larger offices. During 1922 eight state conference conventions were held for the purpose of exchanging formulæ, of furthering acquaintance, and setting up of confidential relations with the department at Washington.[3]

During the war an interesting experiment developed in the Rock Island Arsenal. The Rock Island plan was intended to establish a definitely organized means of communication and

[1] *See* note in *Am. Pol. Sci. Rev.*, vol. 15, pp. 267-72 (1921) containing also reference to proposed French legislation.
[2] *Annual Report of the Postmaster General*, 1921, pp. 69-75.
[3] *Ibid.*, 1922, p. 47.

conference between the management and the employees and was conceived not as an arbitration board nor as a grievance committee, but rather as a device for considering and discussing immediately and at their source the problems that arise in connection with working conditions. The responsibility for decision and execution remained with the executives, based, however, on full knowledge of the facts acquired by conference. The organization included a central council, composed of three representatives from each of thirteen departments, which selected five members to sit with the commanding officer and four of his assistants as a Joint Conference Committee. No employee who possessed the power of recommending employment, promotion, or discharge was eligible to act as departmental representative. This organization was successful in maintaining harmonious relations between employees and management.[1]

The Congressional Joint Committee on Reclassification recommended a Civil Service Advisory Council of twelve members composed of elected delegates of the employees and appointed representatives of the administrative staff. The functions of the council included consideration of proposed changes in the civil service rules or regulations, and authority to make independent recommendations to the civil service commission. Departmental personnel committees were also proposed.

The Chicago study of employment conditions also recommended an employees' committee for each of the large departments. Its functions were conceived not merely as a grievance committee, but as a channel of communication and as a means for developing the voluntary cooperation of all branches of the service. Neither of these recommendations has been made effective.[2]

6. Conclusions.

In conclusion a few general suggestions may be offered concerning the place of the organized employee in the public service.[3]

[1] Payson Irwin, "The Rock Island Arsenal Conference Plan," *Proceedings of the Academy of Political Science*, vol. 9, pp. 692-99 (1922).

[2] For analogous projects in industry, consult Franklin Meine, "Works Committee of the Dennison Manufacturing Company," *Journal of Personnel Research*, vol. 3, pp. 129-72 (1924).

[3] Mayers' conclusions may be summarized as follows: 1. Where personnel legislation is shaped largely by political power or organized employees, there exists an improper situation. 2. As long as power over personnel matters is in the hands of Congress, there is no alternative for employees except to

Organizations may well become an institution of high value to the public service if high officials will make an effort to cooperate with them in useful channels. A tactful department head will find in them sources of genuine support for the proper conduct of government work. Their ideals of the public service are for the most part in close harmony with the ideals of the general public. On the other hand, if responsible officials neglect their opportunity or turn their hand against these organizations, they may readily become sources of disaffection, sapping the morale of the service. In some cases, too, their methods and aims are subversive of good government. They contain the springs of substantial good and the possibilities of great harm.

The trend of thought in recent years assigns organized employees a definite place in the structure of the machine of administration. They can be useful in building up morale, in serving as channels of communication between the rank and file and the department heads, in devising better ways of conducting business, and in assuming a certain responsibility for the determination of working conditions. American experience has demonstrated them to be essentially conservative, rarely stepping over the boundaries of proper official conduct. With fair treatment for the civil servant, there is no reason to expect that a different attitude will ever develop.

organize. 3. Remedy is to transfer personnel power to an administrative body. 4. Except for retirement act the measures advocated by employees have been well considered.

CHAPTER EIGHTEEN

ADMINISTRATIVE RULES AND REGULATIONS

If the law is our charter, it is also our master. Sometimes it is a singularly inelastic—and, indeed, irrelevant—master, paying little heed to nice individual distinctions or to the elaborate adjustments that an elaborate situation may demand. As also happens with human beings in authority, it is sometimes a master that has obviously gone wrong. It invites us to a course which its creators manifestly had not in mind, or it falls short of a consummation which its creators no less manifestly desired. All day long we bump against its irregular circumference, and in bumping we examine it. And then, indeed, we are even as the scientist with his test tube or his lens. For under the microscope the involution of the law, which to the outward eye is so inanimate and so obscurely plain, reveals to the practiced eye as many wonders as the biologists' slide. It is ours to elaborate, to interpret, to explain.

Sir Richard V. N. Hopkins.

In the brilliant passage reproduced at the head of this chapter may be read the *rationale* of the rule-making power. "It is ours to elaborate, to interpret, to explain." This duty is imposed upon the administration, not merely in order to relieve an embarrassed legislature, and certainly not in order to satisfy an insatiable official desire for power, but in order most readily and most easily to effectuate the social programs elaborated by parliamentary and legislative bodies. The power to make and amend rules is the power to adjust law to life, the power to fit the contour of the statute to the rough and irregular outline of social habit, the opportunity to advance the law to the very edge of reality where alone it can deal effectively with the world as it is. The legislature, although of all organs of government the most representative, is forced by its own methods to stand at the greatest distance from the real business of governing. The administration shares with the courts the first hand contact of government with men and women and groups and things, and with the courts is constantly concerned with the *rapprochement* of law and fact. The rule-making power is an invaluable

"administrative and legislative weapon" in forcing the often reluctant facts into a reasonable harmony with social purpose.

On the continent and in Great Britain, the uses of the "ordinance power" have long ago been explored and developed. Possibly its most extensive employment to meet the conditions of a modern industrial society is to be found in Germany, operating through the Imperial German Bundesrat. But in the France of the *ancien régime,* and in the England of the Tudors, the royal decree and the work of the great councils for a long period largely supplanted statute. The English Parliament, however, reasserted its dominance in legislation, and a century ago, "the acts of the period are full of almost grotesque detail for want of the practice of entrusting minor matters to subordinate legislation." [1]

The occasion for the development of the rule-making power in the United States has been delayed for at least two reasons. The economic and administrative life of the country until the Civil War was sufficiently simple to permit government to operate with reasonable facility on the basis of a detailed statute book, combined with merely judicial enforcement of public as well as private rights and obligations. Then in addition, our American legislatures, with the dim memories of ancient feuds with colonial governors, remained distrustful of the executive branch and reluctant to enlarge its activities either in scope or intensity. But today, "few people are aware of the great extent to which public administration in the United States national government is controlled by means of administrative regulations or orders, in the nature of subordinate legislation. Most writers have under-estimated, and indeed usually ignored entirely, the enormous mass of administrative legislation supplementing acts

[1] Cecil T. Carr, *Delegated Legislation*, ch. 6, "Historical Development" (1921). The scope of the rule-making power in Great Britain is illustrated by the terms of the Seeds Act (1920). "The Minister may, after consultation with the interests concerned . . . make regulations generally for the purpose of carrying this Act into effect, and in particular . . . for prescribing the seeds . . . to which this Act is to apply." Carr adds, "For particulars, see small Hand Bills." *See also,* Harold J. Laski, "The Growth of Administrative Discretion," *Journal of Public Administration,* vol. 1, pp. 92-100 (1923).

Compare the United States pure seed act, enumerating the seeds brought under the statute, and defining adulteration and seeds unfit for seeding purposes. 37 Stat. at L. 506. The definition of weeds was made by regulation; see John A. Lapp, *Federal Rules and Regulations,* p. 152 (1918).

of Congress, and issued by the President and the various executive departments, bureaus, commissions, and other agencies of the national administration." [1]

The bank legislation of Massachusetts illustrates an interesting interplay between administrative regulation and law. Until 1838 substantially all bank control was exercised by means of statute, which steadily became more and more detailed. In 1838 an administrative agency was established, but without power to lay down additional requirements. Soon, however, the legislature began to use the commission to define in precise terms its commands. Thus the legislature required returns, the form of which at first was fixed by law, but later at the discretion of the commission. After the lapse of many years, when the form of return had become adequate and fixed, it was adopted by the legislature and again made a statute. The final step in the process is to transform the essence of the statute, thus molded in its formulation by the rules of the commission, into a constitutional provision. This was not proposed by the Massachusetts Convention of 1918, but analagous provisions have found their way by such stages into some state constitutions.

In so far as this case may have any general interest, it lies in the suggestion that even the basic formulations of policy, especially in new fields of political life, are likely to proceed from *a priori* generalization, formulated in a statute, to an inductive generalization growing out of administrative experience and formulated as an administrative rule, later finding expression in a statute informed by the administrative rule and finally in some cases of peculiar importance set down in a constitutional provision. In any event the constant interplay of administration and legislature in the formulation of policy must be recognized as of outstanding significance, whether from the point of view of the one or the other, for the activity of each in their common fields of interest is ceaseless and complementary. Curiously enough, this interplay has never been systematically studied.

In the following pages something will be said of the extent of and occasions for the use of the rule-making power, the safe-

[1] John A. Fairlie, "Administrative Legislation," *Michigan Law Review*, vol. 18, pp. 181-200 (1919-20). Consult also Thomas R. Powell, "Separation of Powers: Administrative Exercise of Legislative and Judicial power," *Political Science Quarterly*, vol. 27, pp. 215-38 (1912), and vol. 28, pp. 34-48 (1913).

guards which need to be thrown around it, and the advantages which its use gives to the authorities charged with the responsibility of enforcing the law, all from the point of view primarily of American rather than of European experience.

1. Scope and Extent of the Rule-Making Power.

In the United States executive power to make rules and regulations depends upon statutes, although the constitutional power of the President as commander-in-chief of the army and navy supports the military and naval regulations.[1] Excepting also the ordinance power of municipal corporations, authority to issue rules and regulations rests upon statutory provisions. These are very numerous in federal legislation, and increasingly common within the state governments. They may be either general or special. Thus the Illinois Administrative Code authorizes the director of each department to prescribe regulations, not inconsistent with law, for the government of his department, the conduct of its employees and clerks, the distribution and performance of its business, and the custody, use and preservation of the records, papers, books, documents and property pertaining thereto.[2] The Vocational Education Act made it the duty of the chairman of the board "to carry out the rules, regulations, and decisions which the board may adopt." The Illinois public utilities act provided, "The commission shall have power to adopt reasonable and proper rules and regulations relative to the exercise of its powers, and proper rules to govern its proceedings, and to regulate the mode and manner of all investigations and hearings, and to alter and amend the same." [3] More specifically than in these illustrations, the Secretary of Agriculture was empowered by the Meat Inspection Act to make rules to exempt meat products intended for export from some of the requirements imposed upon meat for domestic consumption, and to prescribe rules of sanitation.[4]

A distinction needs to be drawn between rules affecting pri-

[1] Frank J. Goodnow, *Principles of the Administrative Law of the United States*, pp. 326-27 (1905).

[2] Laws Illinois, 1917, p. 2, sec. 16. For a similar provision of federal law, *see* Rev. Stat. Sec. 161 (*cf.* 2652).

[3] Laws Illinois, 1921, p. 702, sec. 8.

[4] Meat Inspection Act, sec. 4, 6. Contrast a decision of individual application, as the determination by the Secretary of the Interior that an irrigation project is practicable (32 Stat. at L. 388, sec. 4), or an order of the Federal Trade Commission to cease and desist.

marily the conduct of public officials and official business, and rules imposing obligations or making exemptions in favor of private citizens engaged in occupations which subject them to regulation. The former are chiefly rules of office management, and do not here concern us; the latter are of fundamental importance in the conduct of administration especially in its relations with the legislature and the public.

It is important to understand the occasions which call for, and which in the large dictate the limits of, the rule-making power. They have been classified in a well-reasoned article in five groups.[1] First come the conditions in which the variety and detail of circumstances to which the legislation will apply are so great and so little obvious to the legislator that he has no time to deal with them. This case may be dealt with by delegation to local authorities or to central administrative agencies. The Illinois legislature, dealing with the services of public utilities, went no farther than to authorize the Commerce Commission to determine the just, reasonable, safe, proper, adequate or sufficient service to be furnished. The enormous variety of circumstances involved make physically impossible any useful enumeration of specific services to be rendered; each case is in reality a unique event.

Second comes the problem of an unknown future, subsequent to legislation. Thus conditions may be set up or arise out of the legislation itself which cannot be foreseen (*cf.* workmen's compensation acts, minimum wage acts). Or conditions may change completely and require a new point of view (with or without necessitating new legislation). Or conditions may not change but they may be quite unexplored until the administrative authorities study them closely (example, unfair competition as determined by the Federal Trade Commission).

In the third case, the matters to be dealt with may be so complicated and technical that only experts can properly deal with them. Thus an early Cotton Standards Act put the classification of cotton in the hands of the experts and authorized a rule to be made by the Secretary of Agriculture after calling them to his assistance.[2] The Pure Food and Drug Act defines "drug" to

[1] *See* Sir Josiah Stamp, "Recent Tendencies Towards the Devolution of Legislative Functions to the Administration," *Journal of Public Administration*, vol. 2, pp. 23-38 (1924).

[2] 35 Stat. at L. 251, at p. 256.

include all medicines and preparations recognized in the United States Pharmacopœia or National Formulary.[1]

In the fourth place urgency may require immediate action. Quarantine in case of the appearance of epidemic, adjustment of tariff to meet the tariff rates of foreign countries, illustrate the type of case in point.

Finally it may be inadvisable that the details of administration be made a subject of party strife. In 1883, it would have been very difficult to secure agreement in Congress to the application of the merit system over a wide area of the service. The Pendleton Act, however, wisely allowed the executive to extend the statute to cover other positions, thus permitting the gradual triumph of the merit principle without stirring up political battles in Congress.

The rule-making power is primarily employed to "fill in the details" of statutes; thus "the Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purposes of carrying the provisions of this act into full force and effect." [2] This brief statement supports the elaborate code of regulations governing the sale of irrigated land and the use of water, vitally affecting a growing army of farmers.

But the authority to make rules may extend to direct amendment of existing statutes. Early Massachusetts legislation authorized bank, and later insurance commissioners to alter forms of reports then fixed by statute. In twenty-four states the board of health is given power to add to the list of diseases to be reported which are specified in the law.[3] Carr cites cases of English rules which fix the date when a statute comes into force, which terminate statutes, which extend statutes to other groups, and to other geographical areas.[4]

One of the most notable illustrations of delegated power to vary the law is found in the New York industrial commission act. In 1913 a broad delegation was made in the following terms:

> The board shall have power. . . .
> (4) To make, alter, amend or repeal rules and regulations for guard-

[1] Food and Drugs Act, Sec. 6, 34 Stat. at L. 768.
[2] 38 Stat. at L. 686, Sec. 15.
[3] U. G. Dubach, "Quasi-Legislative Powers of State Boards of Health," *Am. Pol. Sci. Rev.*, vol. 10, pp. 80-95 (1916).
[4] *Op. cit.*, ch. 2, "Effect on the Statute Book."

ing against and minimizing fire hazards, personal injuries and disease . . . , it being the policy and intent of this chapter that all factories, factory buildings, mercantile establishments and other places to which this chapter is applicable, shall be so constructed, equipped, arranged, operated, and conducted in all respects as to provide reasonable and adequate protection to the lives, health, and safety of all persons employed therein and that said board shall from time to time make such rules and regulations as will effectuate the said policy and intent.[1]

Two years later express authority was given to vary the terms of the statute, in case of "practical difficulties or unnecessary hardship." The language of the amendment follows:

If there shall be practical difficulties or unnecessary hardship in carrying out any provision of this chapter, or rule or regulation adopted by the industrial board thereunder, affecting the construction or alteration of buildings, exits therefrom, the installation of fixtures and apparatus, or the safeguarding of machinery and the prevention of accidents, the industrial board shall have power to make a variation from such requirements if the spirit of the provision or rule or regulation shall be observed and public safety secured . . . If the board shall permit such variation it shall be in the form of a resolution and such variation shall apply to all buildings, installations or conditions where the facts are substantially the same as those stated in the petition. At least three affirmative votes shall be necessary for the adoption of any such resolution. Such resolution shall contain a description of the conditions under which such variation shall be permitted and shall be published in the manner provided for rules and regulations of the board. A record of all such variations shall be kept . . . and shall be open to public inspection during business hours.[2]

The authority vested in the industrial commission by the foregoing act gave rise to much apprehension. It was freely predicted that the procedure contemplated would "disintegrate the whole structure of the labor law built up during the last thirty years." [3] But trained observers stand behind the industrial commission. "This power," write Lindsay and Andrews, "is a conspicuous feature of the industrial commission idea, which in the judgment of competent students, is one of the greatest advances in admin-

[1] Laws of 1913, ch. 145, sec. 51.
[2] Laws of 1915, ch. 719, sec. 52a.
[3] *See* S. M. Lindsay and J. B. Andrews, "Labor Law Administration in New York," *American Labor Legislation Review*, vol. 7, no. 2, pp. 237-518

istration since factory inspectors were first provided by law."[1] On the whole, however, it is extremely unusual formally to vest an administrative agency with power to amend the law.

The power to issue orders, rules and regulations is subject to well-known limitations in American constitutional law. The rule must be within the terms of the statute authorizing its formulation. The grant of rule-making power is strictly construed by the courts. It is of course subject to all the constitutional requirements which govern legislation. It must have been promulgated strictly in accordance with the procedure laid down by statute. It must be reasonable in the eyes of the court. All regulations in general must be brought to the notice of the persons affected, in order to have force. American legislation governing the rule-making power has been deficient in prescribing the necessary procedure and in providing procedural safeguards to ensure the proper exercise of the power.[2]

(1917). The extent to which the power is used is revealed in the attached table taken from this monograph.

Extent to which variations are granted through the Bureau of Industrial Code, New York Industrial Commission.

Section of law involved	Variations			
	Petitions	Granted	Denied	Pending
52a. Unnecessary hardship and practical difficulties..	200 (and over)	150	46	No figures
79b1. Fire escapes as second means of exit.....	312	160 81 (conditionally)	65	6
79b2. Enclosed stairways...	153	43 52 (conditionally)	53	5
79e2. Increased occupancy..	Statistics not available	10 (approx.)		
Totals.....	665	496	164	11

[1] Lindsay and Andrews, *op. cit.*

[2] The most elaborate study of the legal problems involved is found in James Hart, *The Ordinance Making Power of the President of the United States* (1925). *See also* "Industrial Safety." *Annals*, vol. 123 (1926), esp. pp. 51-85. A federal statute of 1878 authorized the surgeon general to issue regulations on the subject of quarantine, "but such rules and regulations shall not conflict with or impair any sanitary or quarantine laws or regulations of any state or municipal authorities now existing or which may be hereafter enacted." 20 Stat. at L. 37.

2. Safeguards.

The little classic by Carr suggests five safeguards which should surround the exercise of the rule-making power. He urges (1) that the delegation of legislative power should be delegation to a trustworthy authority which commands the national confidence; (2) that the limits within which the delegated power is to be exercised ought to be definitely laid down, (3) that if any particular interests are to be specially affected by delegated legislation, the legislating authority should consult them before making its laws, (4) that adequate measures should be taken to ensure publicity, and finally (5) that there should be machinery for amending or revoking delegated legislation as required. To this list may be added (6) the need for a certain degree of stability in administrative rules which have been set before the public, and (7) the need for precision of statement, especially so far as the interests of individuals may be concerned. Each of these considerations requires illustration.

The number of authorities possessing the rule-making power in the federal or in the state governments is limited. It has been delegated by Congress to the President, to the secretaries of the departments, to the independent establishments,[1] and at times to the heads of lesser administrative units, but usually only with the approval of the President or the secretary of the department. Professor Freund estimates that the number of federal ruling authorities is no greater than the number of federal judges. No estimates are available for the state governments.

The prominence of the officials who have been made the official legatees of the rule-making power does not wholly satisfy the inquirer, who wishes to know also in whose hands the drafting of the rules really lies. Fairlie states that the federal regulations seldom receive the personal attention of the head of the department and even if personally signed by him, the actual work of drafting has been done by others. In some departments special agencies have been established for their preparation. In the interest of unity, the responsibility for the regulation must be borne by the head of the department, however infrequently he may really make the decision involved.

Not infrequently the rule is actually written by the interests affected, under the direction of some public authority. Thus the

[1] Often with the required approval of the President.

Safety Appliance Act authorized the American Railway Association to designate to the Interstate Commerce Commission the standard height of drawbars for freight cars, and to fix the maximum variation to be allowed between the drawbars of empty and loaded cars. "Upon their determination being certified to the Interstate Commerce Commission, said commission shall at once give notice of the standard fixed upon to all common carriers. . . ."[1] This procedure tends to assure competence in drafting the rule. In the preparation of its rules, the bureau of industrial code of the New York state industrial commission collects data and advice from manufacturers, representatives of employers, and other persons who have special information on the subject; organizes a small advisory committee, which may be enlarged as advisable; draws up with the help of a still smaller subcommittee of the advisory committee tentative rules which are submitted to the advisory committee for criticism; advertises and holds hearings in the various parts of the state; then revises the proposed rules and finally takes them up for final agreement, section by section, with the advisory committee as a whole.[2]

Such an alliance between the interest affected and the legally established authority, when animated by a desire on both sides to cooperate helpfully, is an almost complete guarantee that public confidence will support the regulations agreed upon.

The impartiality of the regulations of some administrative commissions has been doubted on account of the partisan character of these bodies but on the whole it can be said that the rule-making power in America has been vested in trustworthy hands.

The limits within which the rule-making power is exercised are marked out first by the controlling statutes, second by jurisprudence. The statutes vary greatly in the degree with which they define the limits of the granted authority. Not infrequently a general grant of power to make regulations will be made, and in addition within the same statute will be found rule-making power attached to specific provisions. Do the specific grants add to, or merely confirm the general grant? Such a vague authority as that conveyed in the Vocational Education Act,

[1] 27 Stat. at L. 531. John A. Lapp, *Important Federal Laws*, p. 282 (1917).

[2] *American Labor Legislation Review*, vol. 7, p. 318 (1917).

already referred to, reading, "It shall be the duty of the chairman of the board to carry out the rules, regulations and decisions which the board may adopt," would seem to have only those limits set up by the courts, viz.: constitutionality, excess of power, good procedure, reasonableness and the like.[1]

But the cotton futures act gave more definite guidance to the Secretary of Agriculture, who was authorized to establish standards of cotton by which its quality may be determined, standards including "its grade, length of staple, color, and other properties" which may be practically standardized.[2] More frequently the controlling language of the statute reads merely, "The secretary shall from time to time make such regulations as are necessary for the efficient execution of the provisions of this act." The metes and bounds of the rule-making power are then as elastic as the statute itself.

There are many illustrations of the practice of consulting the interests affected by regulations. The trade practice submittal before the Federal Trade Commission,[3] the advisory board of the Wisconsin industrial commission,[4] the internal organization of many industrial commissions, and the specific provisions of statutes all bear witness to the desire to employ the knowledge and to engage the support of interested groups in proposed regulations. The Illinois Workman's Compensation Act established an industrial board of three members, one representing employers, one representing employees, and one neutral referee.[5] The commission, empowered to make rules and orders for carrying out the duties imposed upon it by law, thus operates with each interested party officially connected with the formulation of the new rule.

The various examining boards coordinated by the Illinois Administrative Code in the department of registration and education, and directed to make rules prescribing fair methods of examination, defining reputable schools and establishing uniform and reasonable standards, are all representative of the professions. Thus serve for the architects five persons, one a member of the faculty of the University of Illinois, the other

[1] *Cf.* the New York Industrial Commission statute cited above.
[2] 35 Statutes at L. 251.
[3] *See* chapter 20.
[4] *See* Jennie M. Turner, "Democracy in Administration," *Am. Pol. Sci. Rev.*, vol. 17, pp. 216-30 (1923).
[5] Laws 1913, p. 335.

four resident architects having at least ten years' practice; for the medical practitioners, five persons, all of whom are reputable physicians licensed to practice in the state; for the horseshoers, five persons, consisting of three practical master horseshoers, and two journeymen horseshoers; for the barbers, three practical barbers, each of whom has been engaged for at least five years "in the occupation of barbering."[1]

"In the matter of publication," writes Fairlie, "there is a maximum of variety and confusion. Not only is there no general system, but no department has developed a system for itself."[2] Not merely the anxious citizen but the public official as well find it nearly impossible to keep abreast of the flood of orders and amendments. Adequate safeguarding requires settled practice (1) in giving notice at the time a proposed rule is under consideration, (2) at the moment when it is promulgated, (3) when alterations or amendments are proposed. The English rules publication act furnishes an admirable model.[3] At least forty days before making any "statutory rules" notice of the proposal to make the rules and of the place where copies of the draft rules may be obtained is published in the *London Gazette*. Any representations or suggestions made in writing during this interval "shall be taken into consideration" by the public authority before finally settling the rules. Each government department concerned must be consulted, and "due regard" given to their views; and after the rule is made, it must be numbered, printed, and sold by the Stationery Office.

American equivalents of this procedure are limited. The New York industrial commission act requires a public hearing, of which ten days' notice must be given in newspapers selected by the commission, before any rule or regulation is adopted, altered, amended or repealed. Every regulation must be promptly published in bulletins or in newspapers. Rules and regulations and amendments take effect twenty days after publication unless otherwise prescribed by the board. The industrial code is filed with the secretary of state. The Cotton Futures Act required one year's public notice of any change or replacement of cotton standards, but prevailing practice is described with reasonable precision in regulation forty under the Pure Food Act, "These

[1] Laws 1917, p. 2, sec. 60.
[2] Fairlie, *op. cit.*, p. 199.
[3] 56-57 Victoria ch. 66 (1893),

regulations may be altered or amended at any time, without previous notice, with the concurrence of the Secretary of the Treasury, the Secretary of Agriculture, and the Secretary of Commerce and Labor." [1]

There is no single compilation wherein can be found the regulations issued even directly by the President of the United States. His proclamations are published in the statutes at large; the executive orders are printed in separate leaflets and published by the department of state; rules concerning the civil service may be found in the "Civil Service Act and Rules, Retirement and Classification Acts, Statutes, Executive Orders and Regulations" issued by the civil service commission; the army, navy, public health service regulations and others are separately issued. Publicity for the regulations issued on the authority of secretaries of departments and independent establishments is even more inadequate. Within the state governments there are only a few exceptions to the prevailing neglect of fair and reasonable provisions for publicity.

Adequate supervisory machinery for revoking or amending regulations is needed in the interest of uniformity, and in order to enable the legislative body to control the refinement of its statutes. So far as the need for uniformity is concerned, some central supervisory office within the administration would be sufficient, but it has never been supplied. Something has been done by requiring the regulations of inferior officials to be submitted for approval to an administrative superior. Thus the chief boiler inspector makes "all needful rules, regulations, and instructions for the conduct of his office and for the government of the district inspectors," subject to approval by the Interstate Commerce Commission. The disintegrated character of state government, on the contrary, has delayed recognition of the governor's right to supervise the state rule-making power. But in New York state, the rules of local civil service commissions must be approved by the state commission. In Rhode Island, health regulations must be approved by the governor and council; in Minnesota, by the attorney general; otherwise it appears that the health boards may proceed without supervision.[2]

No provision is made in the United States for submitting

[1] *See* John A. Lapp, *Federal Rules and Regulations*, p. 417.

[2] Dubach, *op. cit.*, p. 86. All French decrees "d'administration publique" are required to be submitted for prior consideration to the Council of State.

regulations to legislative bodies. They make no systematic attempt to examine or review the rules made in pursuance of statute. The courts not infrequently are called upon to consider how closely the rule follows the statute, but the legislature almost never. In Great Britain, the practice is now well settled to require all rules and regulations to be laid before the Houses; they take effect forthwith, but if within a specified number of days either House takes exception to them and presents an address to the Crown, then the rule may be annulled by an Order in Council.[1]

Massachusetts has taken a first step to secure some administrative supervision of the rule-making power. A delegate to the convention of 1918-1919 asserted, "Delegated power to legislate is found at present in almost every state department. At present it is chaotic in its exercise." In 1917 an act required every department vested by law with the power to issue rules and regulations of a general character to file copies with the state secretary.[2] The convention of 1918 considered but rejected a proposal to authorize the General Court to permit any department or other administrative agency to issue ordinances "which shall have the force of law until rescinded by the agency which issued them, or until annulled by the General Court." [3] It also considered a carefully prepared substitute amendment, reproduced at the end of this chapter.

Usually legislation undertakes nothing to insure a desirable stability in administrative rules. An important study is needed to inform students of government to what extent there is reasonable permanence in this field. The advantage of flexibility frequently asserted in favor of the regulation as opposed to law may readily become a menace if it degenerates into vacillation. Cursory examination leads to the belief that this is a danger not normally to be anticipated. In some cases the legislature makes an attempt to safeguard the situation. Thus the Cotton Futures Act, already cited, ordered the Secretary of Agriculture not to change or replace cotton standards within a period of less than one year after promulgation, and only after one year's notice. The legislature ordinarily imposes no such restrictions, either remaining wholly silent on the point, or authorizing the com-

[1] Carr, *op. cit.*, p. 38. Some cases are referred to by Carr on page 39.
[2] General Laws of Massachusetts (1921), ch. 30, sec. 37.
[3] *See* Debates Constitutional Convention, vol. 3, p. 314.

mission "to adopt reasonable and proper rules and regulations . . . and to alter and amend same." [1]

Little systematic attention has been given to the preparation and drafting of administrative regulations. The need for precision and clarity of statement is of the same order as in the case of legislation, but not even the fragile assurances of sound technical draftsmanship found in legislation are to be found in rule making. "To insure their validity, it is necessary, not only to keep within the limits of constitutional provisions and their judicial interpretation, but also to follow the boundaries of jurisdiction defined by many complicated statutory provisions, and, in the case of regulations issued by bureaus and inferior offices, to comply and avoid conflicts with the regulations of higher administrative authorities." [2] To enable the rule to fit the needs of the case requires a precise view of the whole situation, which is ordinarily possessed only by a limited number of officials directly concerned, and a talent for unambiguous expression. After calling attention to a few cases of an "orders and regulations branch," Fairlie observes that in many services there is no organized machinery for the work, and that important regulations may be issued on the basis of memoranda prepared in haste and without careful study and consideration.[3]

It is important to note that the exercise of the rule-making power may, or may not, wholly clarify the statute. The regulation itself may only partially or imperfectly define the individual's obligations. The Meat Inspection Act authorized the Secretary of Agriculture to prescribe the rules and regulations of sanitation under which packing establishments shall be maintained. Regulation eight, issued to define proper sanitary conditions, contained among others these provisions: "every practicable precaution shall be taken to keep establishments free of flies, rats, mice, and other rodents"; "there shall be abundant light, and sufficient ventilation"; "operations and procedures involving the preparation, storing, or handling of any meat or product shall be strictly in accord with cleanly and sanitary methods." These are really nothing more than general notices in favor of light, air, and sanitary methods, and against rats

[1] Illinois Public Utilities Act, Laws 1921, p. 702, sec. 8. "A serious problem for the subordinate official is to keep posted on the latest changes."
[2] Fairlie, *op. cit.*, p. 199.
[3] *Op. cit.*, p. 199.

and mice. They become specific only in individual orders issued by the meat inspectors. On the other hand, the same regulation prescribed "Adequate sanitary facilities and accommodations shall be furnished by every official establishment." Of these the following were specifically required: (a) dressing rooms, etc., (b) modern lavatory accommodations, (c) properly located facilities for disinfecting and cleansing utensils and hands, (d) cuspidors. . . .

Study of the rule-making power admirably illustrates the stages in declaring and enforcing policy. The fundamental declaration of policy in this instance is the interstate commerce clause of the United States constitution. The next refinement consists of the Meat Inspection Act which makes a general statement of policy, creates an administrative agency, and imposes certain obligations upon the packers. These obligations in turn are made more explicit by the regulations of the department of agriculture. Finally the regulations themselves are translated into specific fact situations by the inspectors who approve or disapprove packing facilities.

From the point of view of the citizen or corporation, it is obviously essential that these successive statements be as clear and precise as possible. Administrative rule making has had the signal advantage of being worked out by experts rather than amateurs; and every care should be taken that their work be unbiased, free from the necessity of considering political interest, and informed by the best minds of the industry regulated.[1]

3. The Administrative Importance of the Rule-Making Power.

From the point of view of the administration it is important that it be vested with the power to make subsidiary regulations. Endowed with this authority, it has a certain freedom of means to secure the objects defined by legislation. It can select one of several means and reject it after trial or supplement it with

[1] "There is need first, within each department and in the government service as a whole, for more systematic and uniform methods in the preparation and publication of administrative regulations. There should be in each department an agency for supervising the preparation and issue of all such regulations within the department. The number of classes of publications should be reduced, and a more uniform terminology established. Finally there should be an official publication which will record all regulations and instructions issued by all branches of the government service." Fairlie, *op. cit.*, p. 200.

others. It can adapt its efforts to conditions growing up after, or out of the statute itself. It can match its brains and inventive power against the ingenuity of those who seek to avoid the law. The rule-making power permits the progressive refinement of the law as experience points the way.

The administration also can better protect itself against impossible and unnecessary tasks. If everything must go into the statute, it is extremely likely that much will go in which is administratively out of the question. Legislative bodies do not always have a fair comprehension of the limits of the possible in the field of administration, but the responsible officials are more likely to have a well founded sense of what can be done.

The rule-making power permits a more exact statement of the real ends sought by the legislature. It may be desired to impose upon public utilities a system of accounts which will reveal their true financial condition. A century ago a typical state legislature probably would have written the forms of accounts into the statute; now it contents itself by authorizing the utilities commission to establish a uniform system of accounts to be kept by public utilities, recognizing the difficulty of formulating a system of accounts which would adequately serve its purpose. Health regulations are in increasing measure written by the state boards, and in Texas and California codes drafted by the boards were subsequently enacted into laws.

Administrative rule making lends itself much more readily to conference and consultation with interested parties than do the methods of legislative bodies. A number of cases have already been cited to illustrate the point. The administration, "by educational work, explanation, and suggestion, may thus become not so much a detective whose interference is resented, as an expert adviser whose assistance is welcomed."

Possession of authority to make regulations should stimulate the sense of responsibility and the initiative of public officials. They are expected to meet new situations with appropriate remedies, and within the limits of law, are expected to do this at once, without waiting the orders of the legislature. In short, the rule-making power means administration by the administrator, rather than by the legislator.

All this assumes competence, appropriate procedure, and integrity on the part of the administrative officials in whose hands

is vested this power. Possessed by officials who are incompetent, who lack understanding and wisdom, whose integrity is not assured, or whose technique is faulty, the authority to make and enforce regulations is a standing menace which judicial review alone may be inadequate to curb. Citizens need also assurance that the rules will be made with the purpose of dealing properly with the public rather than with the intent of serving merely administrative convenience.

The scope of administrative rule making is likely to extend rather than to diminish. Legislatures are notoriously overburdened and may easily escape a troublesome part of their task by delegating the "details" to other hands. The administration has the merit of direct contact with the subject matter affected, and may be presumed to have superior competence at least in handling the minutiæ within the rule. The administration, moreover, is a continuous agency, ready to modify a rule whenever experience indicates a wiser formulation. It has not only its own experience to inform it, but in many cases it has a corps of examiners, investigators, or inspectors who focus a wide range of knowledge on the subject matter under control.

"Weighing relative advantages, it may be expected that administrative action can be set more easily in motion than legislation, and that it can better plan a program of gradual development; that while administrative authorities have a better sense of what is practically enforceable, legislatures have a keener sense of what is politically expedient, that while the former can mix suasion with command, the latter can invest their commands with greater publicity and a higher moral authority. . . .

"Administrative action has, however, the indisputable, though incidental advantage, that it permits the process of establishing rules to be surrounded by procedural guarantees and other inherent checks which will tend to produce a more impartial consideration than the legislature is apt to give, and which should in the course of time, if not immediately, substitute principle for mere discretion."[1]

[1] Ernst Freund, "Substitution of Rule for Discretion in Public Law," *Am. Pol. Sci. Rev.*, vol. 9, pp. 666-76 (1915).

PROPOSED AMENDMENT

MASSACHUSETTS CONSTITUTIONAL CONVENTION, 1917-18.

The Council, with the approval of the Governor, may on petition and after advertised public hearing, pass statutory orders relating to local, special or private matters, or to the carrying out of provisions of existing law: Provided, that no such order shall involve the expenditure of money by the Commonwealth unless out of an appropriation already made, or shall impose a penalty exceeding one hundred dollars. Before a petition for the passage of such an order shall be considered by the Council, it shall be reported upon by that department or agency of the Commonwealth, if any, which in the opinion of the Governor exercises functions embracing in their scope the subject matter of such petition. The form of an order shall be approved by the Attorney-General before its final passage, and after passage, it shall be engrossed and filed with the Secretary of the Commonwealth, and advertised and published in the same manner as laws enacted by the General Court. Unless otherwise defined by law, local matters shall be deemed to include any matter relating only to a particular political subdivision or district of the Commonwealth, and special or private matters shall be deemed to include any matter relating to one or more particular individuals, associations, or private corporations.

A statutory order relating only to a particular city or town shall be designated as a municipal statutory order and shall take effect only upon acceptance by the city or town in such manner as may be prescribed by such order. Any order other than a municipal statutory order if passed by the unanimous vote of all the Councilors voting thereon, by yeas and nays, shall take effect upon its approval by the Governor, or at such later date as may be fixed therein; if not passed by a unanimous vote, it shall be transmitted to the General Court and shall take effect three months after the date of such transmittal, or at such later date as may be fixed therein, provided that if it is transmitted within less than three months before the date when the General Court shall be prorogued or adjourned, it shall, unless specifically confirmed by the General Court, only take effect three months after the convening of the next session of the General Court; and provided further, that no such order shall take effect if within such period of three months either branch of the General Court shall pass an order annulling the same.

The General Court shall retain full power to pass or to repeal any law or statutory order relating to a local, special, or private matter, or to the carrying out of provisions of existing law; and the General Court may authorize the Council, with the approval of the Governor, to pass statutory orders under other conditions or relating to other matters than those herein set forth.

CHAPTER NINETEEN

CONTROL OF ADMINISTRATION: THE LEGISLATURE AND THE ELECTORATE

The grant of any considerable responsibility and power to administrative officials has been repugnant to the American political tradition both in its legalistic and democratic aspects. . . . Government by law was developed so far that nearly every administrative act of importance encountered an injunction and had to be validated by a law suit. The old democracy acquiesced cordially in this annihilation of administrative independence because it did not want a faithful or an independent enforcement of the laws.

Herbert Croly.

1. The General Problem of Control.

So long as American administrative systems remained decentralized, disintegrated, and self-governmental and discharged only a minimum of responsibilities, the necessity of highly developed machinery for its control was unknown. Administration was weak and threatened no civil liberties; it was unorganized and possessed no power of resistance; it was elective and quickly responsive to the color and tone of local feeling.

The complementary tendencies which have already gone far in centralizing and unifying authority have cooperated with the displacement of elective by appointive officials to create a new situation. At the same time the number of public officials and employees has been increasing enormously along with the need for the extended employment of specialists and experts in many lines. As the number of offices grew, so developed the variety of contacts between officials and citizens, under conditions which made essential the gradual extension of the means of control. Elections no longer sufficed to retire unpopular officials, the magnitude of the army of officials and its complexity baffled the perplexed citizen who had dealings with or complaints about the government, and an important power of resistance to change and "interference" sprang up in the offices themselves, in which permanent employment and a technical outlook took the place of rotation of amateurs.

The present consolidation of administrative power in the hands of the chief executive emphasizes the need for a corresponding development of control. It has long been the thesis of the short ballot advocates that the concentration of power would solve the very problem which it intensified by allowing public opinion to focus sharply on the key positions. The restraining and corrective power of public opinion in dealing with administrative problems is a force whose measure is not known, but with regard to which the cautious observer is entitled to a certain reserve. Certainly something is gained by such an integration of administrative agencies as will enable responsibility to be more clearly defined. There are many citizens, however, who sincerely question whether such reorganizations as the Illinois Administrative Code have not created power and failed to create effective agencies of control.[1]

The problem, therefore, has gradually developed into that of finding means to ensure that the acts of administrative officers shall be consistent not only with the law but equally with the purposes and temper of the mass of citizens. With the best of intentions, it is difficult for a conscientious administrator always to observe the limits placed either by law or by public opinion. The highest type of official will be in the advance guard of public opinion, and will concern himself to educate opinion to the standards which he knows should be applied. Chafing at the discrepancies between the opportunities for accomplishment which science has put in his hands and prevailing standards, and becoming impatient or imprudent, he may either take action which brings down a storm of disapproval, or on the other hand he may become discouraged and pessimistic. In the former case some method of control will be invoked; in the latter case only a fair understanding of the slow march of human progress can be of much aid to him.

In the occasional event in which good intentions are not

[1] The aggressiveness of administrative officials in relation to expressions of public opinion through the initiative and referendum is well brought out by Coker, "The Interworkings of State Administration and Direct Legislation," in *Annals*, vol. 64, p. 122, at 128-30, illustrating also how state officials under a centralized system may be tempted to use their powers over local subordinates to promote attacks upon measures enacted by the legislature against their opposition. In the national administration, compare the alleged attempt of agents of the department of justice to intimidate members of Congress conducting inquiries into the Departments of Justice and the Interior during 1924.

present in administrative circles, the system of control need not be so subtle and so finely adjusted as in the type of case just suggested, for here the requirement is simply an effective and speedy operation to correct a pathological condition.

Between these two types of cases in which some form of control becomes necessary lie the traditional evils of bureaucracy. "Everyone knows the evils of bureaucracy," writes Beard, "routine, multiplication of useless positions, red tape, and official follies. Every class tends to exalt itself and its work. This is as true of official classes as other classes. Where there is power there are philosophers to praise and defend. Every bureaucracy has contempt for the layman. It takes undue pride in its own achievements. It is impervious to new ideas that arise outside of the circle of the 'experts.' It despises the amateur and constantly avers that no good comes out of lay thinking and advice. It thrives on a spirit of monopoly and constantly seeks to raise the barriers between itself and the uninitiated." [1]

The action of the administration has now become so important and touches such varied interests that the problem of control must be reconsidered in the light both of the interests to be served and the dangers to be avoided. Goodnow analyzes the interests to be served by a system of control as first, governmental efficiency, by which harmony and uniformity of administrative action and administrative efficiency may be secured; second, the preservation of individual rights, to prevent officials from encroaching on the domain of constitutional liberty; and third, the social well-being, which forces the administration to recognize that it is not a law unto itself.[2] To these three sets of interests correspond three types of control, the administrative, the judicial, and the legislative.

2. The Objects of Legislative Control.

By way of exclusion it may be observed at the outset that the purpose sought by legislative control of the administration does not require the legislative body to administer, to impose specific methods of conducting business, to deal with the cases of individual officials, or to dictate the most expedient use of money

[1] C. A. Beard, "Control of the Expert," in E. A. Fitzpatrick, *Experts in City Government* (1919).

[2] F. J. Goodnow, *Principles of the Administrative Law of the United States*, pp. 370-72 (1905).

within an appropriation. An attempt to do any of these things is certain to lead to an unwise interference in matters which are more competently handled elsewhere.

The legislature does have a legitimate function to perform *vis-à-vis* the administration, which can be well performed only if it recognizes the useful limits of its activity. It may properly undertake (1) to ensure harmony between legislative and administrative policy, (2) to ensure propriety of expenditures, (3) to ensure that the administrative control is operating to secure efficiency, and (4) to inform itself thoroughly of the conditions of administration in view of anticipated remedial legislation. Further than this it does not need, and is usually unqualified, to go.

3. Means of Legislative Control.[1]

Constitutional conventions have endowed legislative bodies with two means of control of the administration, one of which they cannot effectively use, the other they do not. Reference is made to impeachment on the one hand and confirmation of appointments on the other.[2]

These two phases of legislative control will, therefore, be dismissed without further consideration. The actual means which American legislatures employ directly or indirectly are included under the general headings of control of accounts, control of appropriations, control of policy by directory or prohibitory legislation, and the power of investigation. These items will be taken up in order in the following paragraphs, together with reference to the unique Wisconsin "interpellation" and a brief reference to some attempts at direct administration by legislative bodies.

(*a*). *Control of accounts and expenditures.* Congress undertakes to control the accounts of all administrative agencies in two ways, through its committees on expenditures, and through the present office of Comptroller General of the United States, formerly the Comptroller of the Treasury. The committees on

[1] This subject is discussed in House Doc. 854, 62nd Congress, 2nd Session, pp. 214-24—Economy and Efficiency Commission: *The Need for a National Budget.*

[2] The practice known as Senatorial courtesy is an exception to the general statement, which has had the substantial effect of transferring the President's power of nomination from the chief executive to Senators or Congressmen.

expenditures originated in 1814. Their duties as described in the rules of the House of Representatives comprise:

> The examination of the accounts and expenditures of the several departments of the government and the manner of keeping the same; the economy, justness, and correctness of such expenditures; their conformity with appropriation laws; the proper application of public moneys; the security of the government against unjust and extravagant demands; retrenchment; the enforcement of the payment of moneys due to the United States; the economy and accountability of public officers; the abolishment of useless offices; the reduction or increase of the pay of officers, shall all be subjects within the jurisdiction of the nine standing committees on the public expenditures of the several departments.[1]

The work of these committees is not to make a formal audit of accounts or expenditures, but at best to keep a general lookout for irregularities and tendencies toward unwarranted expenditures.[2]

They have seldom operated effectively. McConachie concludes, "But the truth is that their names have usually been by-words with the Representatives; and the Speaker . . . blesses them in his appointments as convenient shelving places for the members with whose unfitness as legislators he has been impressed. Why they have proved thus insignificant is doubtless due partly to the disinclination of the average Congressman for the troublesome task of the detective and the economist. Waste of public money is as often a legislative as an administrative sin; many will say oftener." [3]

The real control of accounts is centered in the office of Comptroller General of the United States, successor to the office of Comptroller of the Treasury, originally established in the midst of the Revolutionary War in 1778, supplementing the office of Auditor General established in 1776. The office was reorganized in 1789 and gave definite recognition to the power of the Comptroller to hear appeals from the auditor and render final judgment. From early days the mass of work involved in revising all accounts tended to make the examination perfunctory. By 1894 the situation had become so serious that the settlement of ac-

[1] Rules of the House of Representatives, Rule XI :36.
[2] Willard E. Hotchkiss, *Judicial Work of the Comptroller of the Treasury*, p. 92 (1911).
[3] Lauros G. McConachie, *Congressional Committees*, p. 234 (1898).

counts was years behind the disbursements, and advances to disbursing officers were many times in excess of their bonds. The Dockery law of 1894 made the findings of the Auditors final unless appeal is taken to the Comptroller. The latter exercises an authoritative advisory jurisdiction as well as the appellate jurisdiction. The act in short removed from the Comptroller a great burden of executive routine, which was transferred to the auditors, and confined his work to cases which demand legal construction.[1] The Budget and Accounting Act of 1921 took the Comptroller's office from the treasury department, making it an independent establishment, and recognized the Comptroller General as an official responsible to Congress alone.

The vast amount of work alone performed by this office in ensuring that funds are legally expended, to say nothing of the intricacy of the problems involved, makes it sufficiently clear that no committees of Congress would be able to cover even a small fraction of the necessary transactions. In order to perform the task of guaranteeing propriety of expenditures Congress must delegate it to competent specialists. It can hardly be said that the committees act effectively even in following the work of the Comptroller General. They cannot be systematic, but they can seize upon specific abuses and work out the necessary solutions. Herein lies their present value.

(*b*). *Control of appropriations.* The most pervasive and the most effective means of legislative control of the administration is found in the consideration of estimates of expenditure and the appropriation of funds.[2] Recent developments in budget procedure have tended to make this scrutiny of administrative operations, administrative economy and efficiency more effective than was possible under the indifferent legislative methods formerly prevailing. Until 1910, speaking in general terms, intelligent management of finance by legislatures was made nearly impossible on account of bad accounting and the uncorrelated and unrelated form in which financial statements, expenditures and estimates came to them. The development of modern budget procedure has now gone far in removing this handicap, so that

[1] *See* Hotchkiss, *op. cit.*, ch. 1.

[2] *See* an important statement by Frank J. Goodnow, "The Limit of Budgetary Control," *Proceedings*, The American Political Science Association, 1912, pp. 68-77; and W. F. Willoughby, "Allotment of Funds by Executive Officials," *ibid.*, pp. 78-87.

intelligent and effective criticism can be based on adequate information.

The typical range of information presented to finance committees for the annual or biennial appropriation consists of:

1. Summary and itemized statement of expenditures for preceding two fiscal years.
2. Estimated expenditures for current fiscal year.
3. Itemized estimate of expenditures for ensuing fiscal year or years, for which an appropriation is asked.
4. Summary and detailed statement of revenue for preceding two fiscal years.
5. Estimated revenue for current year and for succeeding fiscal year or years.
6. Statement of condition of trust funds and other funds.
7. Balance sheet showing assets and liabilities.

Of these, the first three items are those chiefly relied upon to form an opinion concerning the efficiency and economy of the administration.

They, however, are supplemented by information derived from other sources. The budget officer, in presenting and defending the estimates for each department, makes known to the committee the results of his observation of their conduct throughout the year. The head of the department invariably attends the committee meetings devoted to his estimates, and makes a general statement as well as answers specific questions. In some cases the committee sends out a sub-committee to make an investigation and report, and in the state governments it makes frequent tours of inspection. But most legislatures still lack systematic statements of unit costs, which might provide the most accurate available index of comparative efficiency. By these means a finance committee builds up an idea of the efficiency of the work performed and of the character of the officials in charge. Evidence seems to indicate that in the state governments at least appropriations vary somewhat with the committee's confidence in bureau chiefs as well as with their appreciation of the importance of the work. Into their final conclusions also enter in large measure considerations of policy which do not here concern us. The point which is of importance is that the process of considering the budget estimates and setting up an appropriation act

furnishes an effective occasion for the legislature to inform itself of the conduct of the administration.

The formulation of carefully prepared budgets has seemed superficially to reduce the occasion for legislative action. The old tradition that departments habitually overestimate on the theory that a certain amount of reduction will take place under any circumstances is giving way before the plain facts that the cutting and slashing has been done by the budget office before the budget is presented. This is notably true with the federal budgets since the establishment of the Bureau of the Budget, and investigation shows it to be equally characteristic of Illinois and of Massachusetts.

In some jurisdictions this superficial weakening of legislative influence appears even stronger, because the legislature is specifically forbidden to increase certain estimates, or is obliged to deal only with the executive budget. Thus the budget provisions of the Maryland constitution, the precursor of several similar constitutional amendments, allow the legislature to decrease, but not to increase, the estimates of expenditure of the executive and administrative departments. No other appropriations may be made until the governor's budget is disposed of, and then only for specific items, with adequate revenue provisions, and subject to the governor's veto.

The undoubted tendency to follow the lead of the executive in making appropriations does not however in the least diminish the opportunity of the legislature to inquire into the reasonableness of expenditures and the efficiency of departments. On the contrary the careful preliminary consideration of estimates by the budget officials relieves the appropriations committee of a very difficult technical task and opens the way to a general survey of administrative conditions and problems.

On the floor of the legislature much attention is given to the discussion of appropriations, in which matters of policy and administrative methods are intermingled. On the whole, however, it cannot be said that the latter receive much attention. The real impact of the legislature upon the administration through the channel of appropriations comes by way of the finance committees.[1]

[1] The student can gain a fascinating picture of this contact by reading the hearings before the sub-committees of the House Committee on Appropriations.

In the state of Wisconsin, however, and in many municipalities, there is much discussion on the floor of the house, or council chamber, of the details of administration in connection with appropriations. Wisconsin makes much use of continuing, non-lapsable appropriations, which are intended to provide for the permanent fixed and recurring expenses of government which have passed beyond the state of experiment.[1] The real character of these appropriations so far as their periodic review is concerned should not be overlooked. It is quite incorrect to assume because an appropriation in Wisconsin is continuing and non-lapsable that therefore the institution benefiting thereby has passed beyond the fiscal control of the legislature. Every biennium each public authority having a continuing appropriation is required to submit its budget, exactly as are all other agencies. Its expenses are carefully scrutinized first by the Board of Public Affairs, and then by the Joint Committee on Finance, before which it must explain and defend its financial record.

It is significant to observe that the English Parliament, which from time immemorial has sought to scrutinize expenditures in Committee of the Whole on Supply, has found the task an impossible one. In 1919 it took up the device of standing committees in order to make its power more effective.[2] The important Select Committee on National Expenditure observed, "But so far as the direct effective control of proposals for expenditure are concerned, it would be true to say that if the estimates were never presented, and the Committee of Supply never set up, there would be no noticeable difference." The Select Committee therefore recommended that two standing Committees on Estimates, each consisting of fifteen members, be established in order to give close examination each year to a considerable proportion of the budget recommendations. The committees were expected to make reports to the House of Commons, but to refrain from dealing with policy and from proposing new or additional expenditures.[3] Technical assistance was recommended in the new office of Examiner of Accounts. The Public Accounts Com-

[1] So also the United States. *See* House Doc. 854, 62nd Congress, 2nd session, pp. 81-84: *Need for a National Budget.*

[2] *See* Reports of the Select Committee on National Expenditure, especially Ninth Report.

[3] They do not appear to have been successful.

mittee, which deals with the report of Comptroller and Auditor General on the audit of expenditures, was continued with the same authority.

Attention has already been drawn to the fact that the degree of legislative control varies with the degree of itemization of the appropriation act. A highly segregated budget does not in any way necessitate an itemized appropriation, and the arguments in favor of the one have nothing to do with the other. An itemized budget is essential for purposes of information. An itemized appropriation was once thought to be essential for purposes of control. But the constant check of the auditor, fortified by reasonably explicit subjects of appropriation, is an adequate check to ensure the correctness and legality of disbursements, and the wisdom of given expenditures within an appropriation is not usefully affected by a high degree of itemization. No important purpose is served, as a matter of fact, by a highly itemized appropriation. On the other hand, it imposes a serious handicap upon administrative officials in the most effective use of the funds at their disposal. The itemized appropriation suggests that the legislature is qualified to forestall errors of judgment or prevent lapse of integrity by foreseeing for a period of from fifteen months to over two years the specific uses for which money will be needed, or used. In the first place the legislature has no such prophetic vision; and in the second place if errors of judgment or dishonest use of funds are anticipated, the obvious remedy is to secure competent and trustworthy officials.

(c). *Control of administrative policy.* The legislature may order the administration to perform certain tasks, or impose certain methods, or overrule its regulations, or order it to refrain from certain undertakings or abandon certain methods, or prescribe the methods by which the administration makes its decisions. Legislation in both state and federal governments is full of such provisions. The statute books of those states in which there are few or no prohibitions against special legislation are crowded with this sort of legislation. The procedure amounts in many cases to nothing short of the legislature making administrative decisions of individual application, with none of the guarantees of uniformity and competence which are usually characteristic of administrative action. Some illustrations from the laws of Massachusetts of 1924 will make the point clear. By

the terms of chapter 105, the board of registration in medicine was authorized to register Alexander R. Prudent of Boston as a chiropodist, without examination. The selectmen of Saugus were authorized (ch. 121) to appoint Peter A. Flaherty as a member of the town police force without civil service examination. The office of chief of police at Medford was made subject to the civil service law (ch. 154). For the purpose of discharging its moral obligation to John E. Fitzgerald, a former employee of the water department, the city of Chicopee was allowed (ch. 277) to pay him an annual pension. The salary of Robert Walker as chaplain of the Massachusetts Reformatory was fixed at $3,000 (ch. 373). Whether from the standpoint of the legislature or of the administration there is no defense for this type of procedure.[1]

Legislation likewise governs many phases of general administrative practice. Thus the procedure for making removals is usually fixed by law, rather than by executive order. Hours, sick leave, vacation, transfer, reinstatement, and other detailed practices may be governed by statute, as well as by executive regulation. Congress in 1915 forbade the use of any money in the army and navy appropriations for time and motion studies.[2] Illinois legislation prescribes a maximum price for purchase of coal.

(*d*). *Control of personnel.* The legislature's control of personnel has been concerned chiefly with salary problems. Rarely indeed has a legislative body attempted to deal in any systematic way with other phases of personnel management. In this respect however it has been persistently active, and only with the advent of the classification movement has it found its proper rôle. Before 1910 (and in many jurisdictions today) individual employees approached council committees or importuned their aldermen for a "raise." The aldermen themselves were not loath

[1] "The legislature thus becomes in a certain sense the central administrative authority of the state—a position for which it is altogether unfitted, . . . legislative administration, however, is both legally irresponsible, because the legislature is not amenable to any direct control, and morally irresponsible, because it is beyond the capacity of a large body to act intelligently on matters in which it has no interest." Ernst Freund, "The Law of the Administration in America," in *Political Science Quarterly*, vol. 9, pp. 403-25 (1894).

[2] Horace B. Drury, *Scientific Management* (1915); cf. Senate Report 930, 62nd Congress, 2nd session; Industrial Relations Commission Report (1914); House Report 698 (1916), 64th Congress, Hearings on Speed Test Systems, Postal Service; House Res. 11705, 68th Congress, 2nd session.

to build up their own influence by seeking favors for men who might be able to make themselves useful through their special knowledge of city affairs. The result in Chicago was a condition bordering on chaos during the weeks when the budget was under discussion by the council finance committee. Not the slightest guarantee of fair treatment remained; raises were popularly supposed to be granted by reason of political favor; the relative claims of individuals or groups could not be compared; and gross irregularities actually resulted.[1]

Control of personnel is primarily an administrative task, but as the sole appropriating authority the legislature necessarily must deal with the general issues. The theory of the standardization of positions implies that the legislative body will cease to deal with individuals and will confine itself to the general issues. Appropriations in theory are made no longer to individuals, but to classes of employment. A given department receives an appropriation for a certain number of positions, not for a certain number of individuals. The appropriation is so figured as to allow for the automatic increase which has accrued under the general plan of the classification. The legislative body thus controls the general level of salaries and wages, and governs the terms according to which automatic increases are allowed. Farther than this, it does not proceed. In Chicago for a time lobbying by individual employees for salary increases was practically eliminated and the *esprit de corps* was greatly improved.[2] The task of the city council was immensely simplified, but it retained all necessary control. Unfortunately in Chicago the city council has not consistently maintained its resolution not to deal with the individual case. The history of personnel control, shifting as it has from the individual to the group, from the special to the general, illuminates in a striking fashion the true function of a legislative body as the controlling authority *vis-à-vis* the administration.

(*e*). *Power of investigation.* An important means of influencing the administration is found in the authority at any time to investigate the work of the departments, or any of them. This authority is frequently although irregularly employed, and has many notable achievements to its credit. Congress commenced

[1] *See* above, ch. 13.

[2] J. B. Kingsbury, Municipal Personnel Policy in Chicago, 1895-1915, pp. 109-10 (unpublished ms.).

to use its committees for purpose of investigation as early as 1792, and both it and the state legislatures rely on them constantly. They are subject to several specific handicaps. Their researches are often inspired by political interests, and are usually attacked for that reason under any circumstances.[1] Although they have full power to subpoena witnesses and compel the production of evidence, they are not always blessed with sufficient ingenuity to get at the real secrets. They proceed without regard to the technical rules of evidence, a method which has both its advantages and disadvantages.

One of the most notable instances of effective investigation by council committees occurred in Chicago in 1909-1911. The Committee on City Expenditures, whose chairman was (then) Alderman Charles E. Merriam, was composed of members of the city council and others selected by the mayor. It employed a number of capable experts and investigators, and held a series of public hearings. Reports were published by the Chicago Bureau of Public Efficiency. As a result of the investigation important improvements were made in many branches of the city service and new machinery was devised to prevent if possible the recurrence of the waste and loss disclosed. "The steady work of these agencies of investigation is slowly raising the standards of service in our municipalities. They are educating the taxpayer and citizen to watch where his dollar goes. They are turning the spotlight on graft; they are making political favoritism unprofitable politically; they are directing public officials to the task of overhauling antiquated, lax and wasteful methods; they are helping to make city government an efficient instrument in the service of the community."[2] The most dramatic recent legislative investigation was the Teapot Dome oil inquiry. This event illustrates both the strength and weakness of the legislative committee as an organ of control.

The usefulness of committee inquiries is twofold. They instruct the legislature and especially the committee members, informing them as to the operation of the administrative system and revealing the need, if any, for additional legislation. In

[1] McConachie says, "Such inquiries have generally been unsatisfactory so far as calm judicial arrival at the truth has been concerned. They have been more partisan than patriotic." *Congressional Committees*, p. 230.

[2] Charles E. Merriam, "Investigations as a Means of Securing Administrative Efficiency," *Annals*, vol. 41, pp. 281-303 (1912).

addition they turn the spotlight of publicity on one aspect of administration after another, and both directly and indirectly restrain official conduct which would not stand the light of day.

(*f*). *The Wisconsin "interpellation."* The state legislature of Wisconsin has developed an interesting means of keeping in touch with its administrative system which closely resembles the English interpellation. The idea may indeed have come from Great Britain, for in 1912 Charles McCarthy wrote, advocating the present plan, "The author witnessed John Burns undergoing a severe test before Parliament one day and consequently has great respect for the question as a vigorous expedient to apply to some of these new commissions."[1] He went on to say:

> There should be some means whereby commissions may be called before the legislature in the same manner in which members of the English cabinet are subjected to questions or interpellation in the British parliament. . . .
>
> A proceeding of this kind would be a protection to both the commission and the public. The writer has often heard some legislator questioning the wisdom of commission administration because of derogatory statements and criticisms which had been presented to him. If asked why he does not go directly to the commission and find the truth, he invariably replies that when he did go to that office he met a crowd of experts who would prove anything to him, and things were so complicated he only made a fool of himself. This man, however, would feel much stronger if we adopted the European policy and called the commission before the legislature. He would be bold and they would be on the defence.

In 1913 a bill was introduced in the Wisconsin legislature providing for the interpellation of commissions and the heads of state departments, but no action was taken. In 1915 a statute was enacted extending the power of interpellation to all state appointive officers.[2] This law has been put to use several times;

[1] *The Wisconsin Idea*, p. 182 (1912).

[2] "Upon the petition of six members of the Senate, not more than four of whom shall belong to the same political party, or seventeen members of the assembly, not more than nine of whom shall belong to the same political party, any appointive state officer shall appear before that branch of the state legislature to which the petitioning members belong, to answer written and oral interrogatories relative to any matter, function, or work of such officer, or relative to any act or omission, or other matter pertaining to the powers or privileges exercised or duties performed by him or by any employee or subordinate of such officer, or in any way relating to the manner, conditions, or terms of his appointment, or of any appointment made by him; or in any such officer. Such petition shall be in writing, shall be accompanied by written interrogatories, shall be signed by the petitioning members."

the Tax Commission was required to furnish information regarding income taxes, the Industrial Commission was questioned concerning its budget, and the Railroad Commission was brought before the Assembly. The procedure seems at times to have almost reversed the original purpose of its proponents, for members of the administration have welcomed the opportunity to appear in explanation or defense of their program.

A persistent attempt has been made to impose the principle of legislative removal of appointive officers. In 1919 and again in 1921 a bill carrying this provision was vetoed by the governor, although in the second case the bill had passed the assembly by a vote of 51 to 19 and the Senate by a vote of 21 to 1.

(*g*). *Direct administration by legislative bodies.* The theory of separation of powers has been a substantial bar in the federal and state governments to the development of administration directly by the legislature. In the city and county governments, however, this constitutional difficulty has never existed and in the last two decades there has been, notably in the commission cities, a widespread trial of management by elective policy determining officials.[1] The commission form of city government came as a protest against the cumbersome and antiquated political and administrative municipal organization of the nineteenth century and sought to secure political responsibility as well as administrative efficiency by placing the city's business in the hands of five or seven men. This form of organization was a distinct improvement over the traditional municipal government, but from the point of view of sound administration it raised serious difficulties. It forced the business of the city into five or seven departments which almost inevitably resulted in a certain artificiality. It placed the business operations of the city in the hands of men who were elected by popular vote, and who by reason of that fact were normally not skilled administrators. Provided that these successful political leaders were inclined to allow their respective departments to be administered by their professional subordinates, no harm was done; but the temptation to "run" the city was often too strong to withstand. In the smaller cities this lay administration may operate with reasonable success, but in the larger cities it is almost sure to involve serious risk. Omitting the tendency to use the department to

[1] Ernest S. Bradford, *Commission Government in American Cities* (1911).

pay off political obligations, one must reckon with the dangers incurred when professional opinion is frequently overruled by lay opinion on intricate operating questions.

The commission governed cities have also been at a disadvantage on account of the lack of administrative unity. Each department became something like a sovereign state, all bound together by a council of ambassadors for conference. The council not infrequently has become a hot-bed for intrigue and "secret diplomacy," with the minority well placed to defy any decisions which displeased them. So far as the decisions involving policy are concerned, a majority may prevail by mere force of numbers; but in effectuating the policies, the minority of a city commission may readily block the approved program by refusing to administer it, or by endless delay and evasion. The means of compulsion available against a recalcitrant political group within a commission are limited in number and dangerous to use.

The root difficulty here is one which may be expected to develop whenever politics and administration are combined in a body of legislator-executives. Administrative problems become political and then partisan issues; their solution is reached by political or partisan methods, which give small guarantee of wise, speedy, or settled decisions, and afford only inadequate means to ensure their loyal observance.[1]

These are the formal controls established by constitution and law. As in the case of all political institutions, the student cannot content himself with a mere knowledge of the control pattern which at some time more or less remote was crystallized into legal form. The real life of administrative and political institutions is but imperfectly portrayed in its legal description; and in the subtle give and take of legislature and administration in their mutual dealings with each other this axiom finds its full expression. Reality comes to such terms as congressional investigations, committee hearings, legislative organization of departments only when they are translated into specific situations and living persons. Study of the newspaper columns, the stenographic report of committee hearings, the debates on the floor of the

[1] The politico-administrative organization of the English borough and county has however made effective use of this combination of legislative and administrative functions. This achievement rests largely upon the traditional acceptance of the expert in local government by the borough or county council.

House and Senate, the memoirs and autobiographies of statesmen yields much significant material from which to construct a nicer analysis than can be made from the bare terms of constitutions and statutes. When we learn that Mr. Taft, then Secretary of War, was ordered from the floor of the House of Representatives by an angry Congressman and retorted that he would leave as soon as the Congressman ceased to attend on the War Office seeking appointments, we catch an exciting glimpse of things as they are.

The experience of the last two decades leads one to suspect that the traditional rôle of chief executive and legislature is being recast. Wilson pointed out in one of his trenchant speeches that the American people were no longer content with an executive who was not ready to take an aggressive lead in public affairs. By a variety of means President Wilson and other executives have abundantly verified this prediction. Personal contacts are growing more important; note the institution of presidential breakfasts, the recognition of the administration leader on the floor of each House, the personal address to Congress. The press has also been wheeled into the arena. President and Congressmen belabor each other or express mutual confidence through the newspaper columns; an "authorized representative" of the administration sends up a trial balloon, a "spokesman for the White House" makes observations on the course of public business, the Senator from Idaho breathes defiance of executive leadership. All this was of course not unknown a half century ago, and a brilliant study remains to be undertaken in this respect.

The boldest line struck out by the executive is the appeal to the country over the heads of Congress on great issues of public policy. But, as President Wilson's ill-starred campaign for the League of Nations demonstrated, this leads us out of the realm of administration into that of *"la haute politique."*

Legislative control over administration tends to transform itself into the internecine struggles of political groups, chiefly interested in elections, primaries, party organization, and appointments, to control which they must deal with the chief executive. He, however, may take advantage of his position to turn the tables and attempt to control the legislature.

In Illinois a remarkable development of this sort has ensued since 1921 by virtue of which a political party, using the admin-

istration, and led by the governor, has become the controlling force in the state. The interpenetration of politics, administration, and law-making is obscure in its details but clear enough in its main outlines. The administration is not controlled by the legislature; it controls the legislature, and by methods which give occasion for deep concern. The governor and his political group seek to control the nominations and election of members of the general assembly, interfere in the selection of speaker, and the appointment of committees. The administration becomes a pawn in the game.

At the end of the session in 1921 it was said, "State officials appointed by the governor and their office employees became feverishly active and lobbying was carried on with such persistence that it interfered seriously with legislative work and became a constant nuisance. Time and again members of the House called the attention of the speaker to the fact that prominent aides of the governor were openly violating the rules by lobbying on the floor while the House was in session. . . . Reports became prevalent that state patronage was being freely promised in the effort to win votes. . . ." [1] A prominent member asserted on the floor of the House that he had been offered through a state employee a favorable decision in a case then pending before the Public Utilities Commission in return for a favorable vote on certain bills.

A different situation develops when there arises a political boss powerful enough to control both executive and legislature. The constitutional hypothesis then vanishes into thin air, while the wires are pulled from behind the scene. One need only recall Mr. Elihu Root's dramatic exclamation before the New York Convention. "Then Mr. Platt ruled the state; for nigh upon twenty years he ruled it. It was not the governor; it was not the legislature; it was not any elected officers; it was Mr. Platt. And the capitol was not here; it was at 49 Broadway; Mr. Platt and his lieutenants."

Mr. Roosevelt has an interesting corroboration. He said, "After full investigation I became convinced in my own mind that the organization controlled the majority of the Senate, and that if I wished to discuss questions of appointments that were apt to come to an issue between me and the Senate, it was ad-

[1] Assembly Bulletin, vol. 6, p. 6 (1922); vol. 10, p. 7 (1926).

visable for me to go where the real power was, to talk with Mr. Platt."[1] And again, "It must be remembered that Mr. Platt was to all intents and purposes a large part of and sometimes a majority of, the legislature."

On a national scale Congress is hampered by the vast scale of operations with which it must cope. It is rare that a Congressman acquires a broad grasp of administrative problems. Congressman Redfield, writing after his later experience in the department of commerce, declared, "But there was one subject the members of the House almost without exception did not understand . . . that was the government of the United States as a whole in its actual daily work in the field where that work is chiefly done—that is, outside of Washington. This statement includes myself and to my best knowledge and belief my friends in the House. We all thought we knew a great deal more about it than we did."[2]

"When one sees the imperative demands variously made on the time and strength of Senators and Representatives, the wonder is, not that so little is known of the executive details but that so much is known. One cannot absorb from Washington air in a few months a knowledge of affairs far larger than those of several of the largest corporations combined. Suspicion, therefore, in lesser minds often takes the place of wisdom, and fancy that of fact. . . .

"The gap—the gap of ignorance—between legislative and executive is a serious fault in our government. . . .

"How shall we substitute teamwork for misunderstanding? Budgets alone are not sufficient. Nor does calling bureau officers 'Comanches' do other than show misapprehension of the facts. Bring spender face to face with provider. Let administrator meet legislator in debate. Let the truth be learned by question and answer between department chiefs who have the facts and Congressmen who want them. Now they are poles apart."[3]

Congressmen, however, have their channels of information, sometimes subterranean, sometimes otherwise. All have their appointees scattered about in the many bureaus, and from them may receive a considerable amount of unsystematic reports.

[1] Quoted in Harold F. Gosnell, *Boss Platt and His New York Machine*, pp. 209-10 (1924).
[2] William C. Redfield, *With Congress and Cabinet*, p. 15 (1924).
[3] Redfield, *op. cit.*, pp. 47-48.

Loyalty of an official to his department should maintain the integrity of official silence, but a judicious indiscretion is difficult to trace. A frank disclosure of the informal contacts of a Congressman with administrative officials can hardly be expected but it would doubtless prove illuminating.

4. Usefulness of the Legislature as a Control Agency.

The legislative body has been universally recognized, in spite of many qualifications, as the fountain of governmental authority within the four corners of the constitution. Its control of the purse alone is sufficient to guarantee its ascendancy for an indefinite period in the future. It has been and still is the traditional exponent of public opinion. By reason of its origin (in recurrent popular elections) it asserts its title to speak in authoritative tones as the interpreter and expounder of the will of the people.

Granting the inevitability of a control relationship we may proceed to inquire how well assemblies are equipped and organized to proceed intelligently and effectively in their task.[1] At the outset must be recognized the inability of large bodies of men to act collectively in matters of detail. But administration is fundamentally the detailed, repetitive application of a small number of general rules. With the rules only does a legislature have any real concern. Here, however, the subject-matter may involve an important question of policy, such as the degree of protection accorded to classified public employees, or it may involve only a generalized statement of methods of conducting business, such as a rule concerning the conditions under which departmental files are open to public inspection. With the latter type of rule the legislature is concerned only in rare instances.[2]

In dealing with the cases where it may justly claim to speak, a legislature is hampered by certain inherent and certain adventitious difficulties. It lacks technical information and specialized knowledge. It has therefore little assurance as to the scientific validity of its own conclusions. Its members are in a constant state of flux, advancing to higher position, or retiring

[1] W. F. Willoughby, "The Correlation of the Organization of Congress with That of the Executive," *Proceedings*, Am. Pol. Sci. Assoc. 1913, pp. 155-67.

[2] As with the publicity of income tax returns.

from public life with the ebb and flow of elections. It is a body of men of whom a large proportion know little of the conditions either of legislation or of administration.

It is indeed forced by its own characteristics to work largely through its committees. The question then becomes, to what extent are the committees competent to deal with administration? Obviously they are not so hampered by size as the assembly, but, like it, they are hindered by a constantly shifting membership and indifferent attendance. They are established primarily to deal with policy, and are not at all chosen to correspond with the needs of administration. The individual members of the legislature are assigned to committees not on account of their competence in dealing with administrative problems, but on the basis of their political importance, their attitude on policy, their political creed, their length of service. Special committees are favorite assignments for "lame ducks." These committees usually have no staff beyond a secretary who may be a political or personal appointee. For these reasons it appears that the committee is hardly an agency of light in dealing with or attempting to control the course of administration. The situation is saved in part by the preponderance of the handful of well-seasoned legislators who are always influential, and in part by the restraint of committees and legislative bodies.

Referring to the situation prevailing in 1912, the Taft Economy and Efficiency Commission asserted that the relations between Congress and the administration were such as to induce each of them to deal with the other on a plane of lack of mutual confidence. The Commission recommended that instead of trying to control administration through depriving it of the exercise of discretion, Congress should rather definitely assign duties and require such an accounting as would disclose promptly and accurately the results of executive discretion.[1]

The legislature has a recognized and important part to play in dealing with administration. To repeat an earlier statement, it is entitled to sufficient authority and should be provided with adequate means to ensure (1) that its program as defined in statutes and appropriation acts is being faithfully executed by

[1] *Need for a National Budget*, p. 221, in House Document 854, 62nd Congress, 2nd Session (1912). The student should read the vigorous article by Frederick Cleveland, "Responsible Leadership and Responsible Criticism," *Proceedings, Academy of Political Science*, vol. 8, pp. 29-41 (1918).

the administration, (2) that its appropriations are being legally employed for the purposes specified, and (3) that the administrative safeguards established in the interest of efficiency and economy are performing their function.

The effective performance of these functions necessarily implies that the legislature shall have ample and undoubted power to secure information concerning the condition of the administrative offices. Such information is rarely furnished in any systematic fashion. To carry out this somewhat limited range of duties, the legislature needs a more effective internal organization, built for the specific ends in view. The successful operation of legislative control requires a clearly defined program, or the development of clearly understood canons of administrative practice in dealing with a partially formulated program. The legislature is entitled to freedom from an administration lobby, but must nevertheless recognize the propriety of expression of opinion by administrative officials and their organizations. Finally is needed a fair comprehension of the real objectives, as well as the useful limits of legislative control of the administrative machine.

5. The Administration and the Electorate.

The voters are ordinarily not reckoned among the controls imposed upon administration, but short reflection will bring to mind a number of well established practices by which the "sovereign" people make themselves count even in the somewhat recondite realm of administration. Traditionally the self-governmental system of administration nourished by the western democracy united people and officials in an intimate union. The voters elected their officials, high and low, far and wide, and elected for the space of a year, two years at the most. Bureaucracy was submerged under the flood of ballots. The people were set on guard to protect their firesides from the real and imagined dangers of an office holding class. As late as 1918 a well-known Democratic newspaper of Boston, opposing a constitutional amendment to extend the governor's term to two years, took up again the famous dictum of Samuel Adams, "where annual elections end, tyranny begins."

Political realities and administrative necessities may cause us to smile at this remark, but the spirit it reflects has had a profound influence on our administrative system. It has left

its mark in a hundred jurisdictions today. Professor Merriam calculates that about three quarters of a million public officials still hold their mandate directly from the people. And although the theory of popular control by elections has suffered heavy blows in the twentieth century, its value as a war cry in political battles would seem to be still highly rated.

The futility of the long ballot has been thoroughly exposed by Mr. Childs and the Short Ballot Association. The direct consequences of their program eventuate in an integrated administration, as the power of appointment (and thereby the principle of subordination) replaces popular election. But integration implies concentration of power, which in turn necessitates the amplification of control. Can this dilemma be solved and still retain any part for the public to play in the relationship of the public powers?

Some advocates of the traditional American democracy insist upon a solution which attempts this by shifting the emphasis from elections to recall. The recall of political, administrative and even judicial officers made some headway in the half decade before the war. It appears, however, that the recall has been used and is likely to be used primarily to control policy rather than to dictate efficiency. A nice question is put whether it is conducive to good government to extend direct popular control over those levels of planning and program making which are within the administration, admitting for the moment that such control is desirable over the broader formulations of the legislature and constitutional convention.

Waiving this question, it hardly appears feasible to expect the recall to operate effectively as a means for ensuring the most effective use of public funds.[1] Such issues are highly complicated, technical, without general or dramatic interest and wholly unsuited for popular decision. Then too the issue could hardly be kept clear of the political parties, whose activities in administration are already sufficiently extended. In Dayton and in some other manager cities, the city manager may be recalled by popular vote. In view of the position theoretically assigned this official, his part in formulating policy does not seem extensive

[1] "Its application to administrative experts, whose authority depends upon their ability to devise adequate means of carrying out the declared policy of the state, would be disconcerting and mischievous."

enough to necessitate such a degree of control, which is proper enough for the commission.

The initiative and referendum may become a means of expressing public opinion on issues of administration. The great public debate in New York state on the proposed constitutional amendment providing veteran's preference well illustrates the sort of matter that can be dealt with through the ballot box. The few referenda on the establishment of the merit system and budget provisions may also be cited. Study of referendum propositions will reveal not a few cases in which the voters were called upon to settle substantially administrative questions.[1] For the most part they are not so well qualified to make the decision as the legislature and in many cases both should yield to the judgment of the administration. Unfortunately many questions which are administrative in character acquire in one way or another a political importance, which hinders their ready settlement.

Reliance upon annual or biennial elections to eliminate executives who prove themselves to be incompetent or untrustworthy administrators has proved to be only partially successful. The trouble lies in the patent fact that the American elector seldom selects his mayor, governor, or president because he has administrative skill, but rather because he has an attractive program. Faced with the necessity of choosing between two candidates, one of whom is able and of undoubted integrity but committed to an unpopular program, and a second who is a spoilsman but an advocate of "the people's rule," the American voter has often turned to the spoilsman. The administrative issue can seldom be so focused that the voters have a clear-cut opportunity to declare for or against efficiency and honesty; where the issue is clear there is no reason to doubt their preference for good government. The almost inevitable confusion of issues and the necessary dominance of the political element in the great campaigns suggests that so far as possible the problems of administration (not involving policy) should be kept from the ballot.

This viewpoint must, however, reckon with the fact that in

[1] Coker refers to Ohio initiated bills dealing with the regulation of the placing, use, etc., of electric poles, wires, etc.; creating a state board of drugless practice; regulating the practice of dentistry; creating a tax code commission; consolidating certain departments. *See* F. W. Coker, "Interworkings of State Administration and Direct Legislation," *Annals*, vol. 64, pp. 122-23 (1916).

municipal and state campaigns particularly questions of administration are bound to be projected into the arena of debate. The voters are called upon at regular intervals to decide whether a city has been well or poorly administered, and dirty alleys or irregular garbage collections may prove to be a major force in turning the election this way or that. The administration comes close to the people, affects their daily lives more constantly and regularly than any other branch of government. What good administration is, what it may mean for the health, convenience, and welfare of citizens (and a determination to secure it) are therefore essential elements in the political education of a democracy.

"The most doubtful and difficult question connected with the administrative organization of a progressive democracy concerns its ability to obtain and to keep popular confidence. Democracies have almost uniformly distrusted administrative officials who tend to escape direct popular control." [1] The difficulty of maintaining a *rapport* constantly develops with (a) the enlargement of administration, (b) the progressive substitution of civil servants *de carrière*, (c) the refinement of administrative technique by the application of science. Croly urges the fundamental importance of the more extensive education of the American democracy in order to help close the gap between the expert and the people. The experts too have here a direct obligation to familiarize the people with their work. The initiative recently taken by the Illinois League of Women Voters in bringing administrators, university professors and people together for systematic consideration of administrative problems furnishes a significant illustration of what can be done.

All this deals with the electorate in its organized capacity as it comes into touch with administration. But a realistic account of the contacts of the individual citizen with the administration will reveal a different picture. The administration from this point of view regulates conduct; it also provides service. Mr. John Citizen fails to observe the stoplight on the boulevard; an agent of the administration (the local policeman) takes his license number and orders him to explain to the judge tomorrow at ten. Mr. Citizen may decide to try the soothing effect of a

[1] Herbert A. Croly, *op. cit.*, p. 371.

ten dollar bill, with varying results; or he may pursue the established habit and pay his fine without making an attack upon the integrity of the police force. A cafeteria owner is visited by an agent of the health department who inspects the kitchen and discloses an ancient accumulation of grease which he orders removed forthwith. The owner makes promises but delays their fulfillment until the patience of the health department gives out, when he is summoned to appear before the commissioner of health, who delivers a stinging denunciation and threatens court proceedings. A property owner is visited by the local assessor who makes a casual inspection of his house and garage and "thinks" that $6,500 is "about right"; or if a hot political battle is impending and the property owner is suspected of giving aid and comfort to a hostile faction, levies an assessment of $25,000. Or a factory inspector makes the rounds of a shoe factory, a building inspector surveys the foundations of a skyscraper, a ventilation engineer approves the ventilation plans for an office building, an income tax auditor demands payment of further sums on declarations two years old; such are the practical primary contacts of the public with the administration as a regulator of conduct.

They result often in an attitude of hostility and resentment; "impossible" requirements are insisted upon, a "bureaucratic" arrogance is encountered; "corruption" is suspected. The citizen leaves the office angry, or humiliated, or at the least worn out waiting for action on his case. He seeks relief for his injured feelings by a loud outcry against official incompetence, red tape, Prussianism, and if practically minded, loses no time in securing the aid of his alderman, his representative, or his Congressman. The consequences have been graphically portrayed by Professor Merriam.[1]

But other branches of the administration are engaged in service functions. The real estate dealer discovers the city map department an indispensable adjunct to his operations; the state employment agency advances the interest of employer and employee alike; the public welfare department seeks to ameliorate the misfortune of the poor or the unfortunate; the department of agriculture scours the earth for better seeds for the farmer; the department of commerce maintains an elaborate service for

[1] Charles E. Merriam, *The American Party System*, pp. 122-31 (1922).

the collection of trade data for the business man; the weather bureau, the crop forecasting service, the library service, the public health service, the geological survey, the agricultural experiment station, all are at the disposal of the people. From these services a kindlier feeling arises; the administration becomes less the bureaucrat, the ugly word "corruption" quietly fades away, and farmer, laborer, business man, and researcher unite in praise of the help which they receive from officialdom.

These types of primary contacts are powerfully supplemented by a whole series of secondary contacts. The public forms its judgments about administration in considerable part on the basis of what they read in the daily press and in the *Saturday Evening Post* and what they hear about the administration during the campaigns for the election of presidents, governors, and mayors. An illuminating analysis could readily be made of the stream of stimuli which newspapers supply the public in the course of a year about public officials and their work. Only as such studies are completed can a beginning be made in unravelling the attitude of the voter toward government and in understanding the type of experience which focuses and becomes articulate when "twelve good men and true" refuse to convict for an act which administration declares to be an offense.

Elsewhere reference has been made to the principle of consent. The principle obviously has significance chiefly in connection with the regulatory features of administrative operations. Again it may be emphasized that modern administration must rest on a substantial degree of consent among the *"administrés."* Officials are entitled to assume a degree of consent from the fact of the enactment of the statute which they are called upon to enforce; but also it is a part of their daily task to create it. One of the ablest of the Chicago health inspectors defines his job as fundamentally one of education; education of the proprietors of restaurants, beauty parlors, lunch counters, ice-cream parlors, apartment buildings up to the standards of cleanliness which are essential to public health. A day spent with him is in itself an education; in his own way he is building standards which are fundamental to democracy and social well-being, although he neither grants nor receives a diploma.

CHAPTER TWENTY

CONTROL OF THE ADMINISTRATION: THE COURTS

Increased administrative powers call for increased safeguards against their abuses, and as long as there is the possibility of official error, partiality or excess of zeal, the protection of private right is as important an object as the effectuation of some governmental policy.

Ernst Freund.

What needs emphasis is no longer the inherent natural rights of the individual, but the importance, indeed the necessity, of administrative efficiency. For upon administrative efficiency depends the effectiveness of that social control without which healthy development in existing conditions is impossible.

Frank J. Goodnow.

1. The Courts and the Administration.

The conditions, extent, and methods of judicial control of the administration bring into sharp relief the not infrequent conflicts between the demands of efficient administration and of adequate protection to private rights of citizens or employees of the state. On the one hand speedy accomplishment of the great tasks of administration seems at times to call for summary action by responsible officials; but on the other hand constitutional prescriptions stand on guard always to remind the administration that its interest is not the sole object for which political systems exist, and that freedom from search and seizure, freedom of speech, due process of law, recourse to courts for the determination of rights and obligations according to the rule of law are fundamental conditions to which efficient administration must be adjusted. The demarcation of the field of administrative action by the courts also necessarily draws the outer limits of official discretion, the expansion or restriction of which has a vital bearing on the effectiveness of the administration. The same adjustment also has an important bearing on the amount and character of the work imposed upon the courts, or from the other point of view, upon the administration. Involved in this distribution of duties are questions concerning the rela-

tive competence of administrative and judicial authorities for dealing finally with intricate matters of fact and of judgment concerning the merits of the technique which each uses in arriving at its decisions, and the general social consequences which flow from a minute and active judicial control on the one hand, or a limited and general review on the other.

It is at this point particularly that the related disciplines of public administration and administrative law come into close touch. Although the chief interest of scholars in the relationship of the courts to the administration has hitherto been from the point of view of the protection of private rights, it is proposed in the present discussion to deal with the question from the point of view of effective accomplishment of public purposes. This approach is not intended to minimize the importance of the traditional point of view, but rather seeks to leave that aspect to the students of administrative law, whose province it rightly is. Inasmuch as so little investigation has been made of the public efficiency relationship, it will hardly be possible to do more than to indicate the main types of contact between courts and officials and to state the issues which arise out of them.

The attitude of the courts toward the freedom of the administration varies from time to time, from jurisdiction to jurisdiction, and with the subject matter concerned.[1] In war time there is a distinct tendency toward the restriction of judicial control. In some types of cases, the federal courts recognize the conclusiveness of administrative decisions, such as the collection of money from its officers, the grant of land patents, the valuation of imported goods, the issuance of fraud orders, and the determination of the citizenship of an applicant for admission to the United States.[2]

The difference in outlook of the courts is well illustrated by comparing two selections from recent judicial decisions. "It is clear," asserted the Illinois Supreme Court in an opinion referring to the State Commerce Commission, "from the salary fixed for the commission and the great power vested in the commission . . . that the legislature intended to create an office of dignity and great responsibility. . . . The notion that com-

[1] W. H. Pillsbury, "Administrative Tribunals," *Harvard Law Review*, vol. 36, pp. 405-25, 583-92 (1922-23).

[2] *See* T. R. Powell, "Conclusiveness of Administrative Determinations in the Federal Government," *Am. Pol. Sci. Rev.*, vol. 1, pp. 583-607 (1906-07).

missions of this kind should be closely restricted by the courts and that justice in our day can only be had in the courts is not conducive to the best results. There is no reason why the utilities commission should not develop and establish a set of rules and precedents as wise and beneficial within the sphere of their action as those established by the early common law judges. All doubts as to the propriety of means and methods used in the exercise of a power clearly conferred should be resolved in favor of the action of the commissioners in the interest of the administration of the law. There should be ascribed to them the strength due to the judgment of a tribunal appointed by law and informed by experience." [1] On the other hand the Supreme Court of the United States recently declared, "The order of a commission fixing the maximum rates chargeable by a water company violates due process of law if no legal opportunity is provided by state law for submitting the question whether the rates are confiscatory to the determination of a judicial tribunal *upon its own independent judgment as to both law and facts.*" [2]

The occasion for conflict between private right and efficient administration is well illustrated in the immigrant cases,[3] the deportation cases,[4] the use of the postal power,[5] and the methods employed in the enforcement of the Volstead Act. The administration of the authority to exclude from the mails during the World War gave rise to an important issue between the Postmaster General and the *Milwaukee Leader.* Congress enacted that any newspaper published in violation of the espionage act (40 Stat. at L. 217) should be non-mailable. On the theory that a newspaper which has published several objectionable issues may be expected to continue to violate the law, Burleson denied the second class mailing principle for an indefinite period to the *Milwaukee Leader,* a Socialist newspaper. The Supreme Court

[1] *Illinois Utilities Commission vs. Springfield Gas Co.,* 291 Ill. 209.

[2] *Ohio Valley Water Co. vs. Ben Avon Borough,* 253 U. S. 287. Italics are author's. Contrast *Mutual Film Corporation vs. Industrial Commission of Ohio* (1915), 236 U. S. 230.

[3] Thomas R. Powell, "Judicial Review of Administrative Action in Immigrant Cases," *Harvard Law Review,* vol. 22, pp. 360-366 (1908-09); Oscar L. Pond, "Methods of Judicial Review in Relation to the Effectiveness of Judicial Control," *Annals,* vol. 53, pp. 54-65 (1914).

[4] National Popular Government League, "Report upon the Illegal Practices of the United States Department of Justice" (1920); Louis F. Post, *The Deportations Delirium of 1920* (1923).

[5] *United States ex rel. Milwaukee Social Democratic Publishing Co. vs. Burleson,* 255 U. S. 407 (1921).

sustained this action, Justices Brandeis and Holmes dissenting. Commenting on the decision, Chafee wrote, "There is force in this reasoning (i.e. of the Court) and indeed most strong exercises of executive power are justified from the official point of view, by the need of thorough enforcement of the law. On the other hand our constitution, with its Bill of Rights, recognizes the necessity for some sacrifice of administrative efficiency in order to prevent wrongs to individuals." [1]

The scope of judicial control of administration is determined in part by statutes, in part by judicial interpretation of constitutional provisions. The boundaries drawn in the latter case may be altered only by constitutional amendment or by a change in the attitude of the courts; but in the former case the legislature may relieve the administration of much judicial supervision by increasing the scope of administrative discretion. Both legislatures and courts are in fact gradually broadening the scope of the valid exercise of official discretion.[2]

With this general introduction attention may now be turned to a brief description of the types of contacts between administration and courts, and to the statement of the problems which they put. The remainder of the chapter falls under three main heads, judicial control of personnel, control of administrative acts, general and special, and the uses and limits of official discretion.[3]

2. Judicial Control of Personnel.

Judges usually appoint a considerable number of administrative officials who are attached to the judicial system, such as clerks of court, bailiffs, probation officers, and court employees of various kinds. There are over five hundred such employees of the Municipal Court of Chicago. They also make important appointments in connection with probate, guardianship, and

[1] *Nation*, vol. 112, pp. 428-29 (1921).

[2] A careful systematic statement of this development may be found in Frank J. Goodnow, "The Growth of Executive Discretion," *Proceedings, Am. Pol. Sci. Assoc.* 1905, pp. 29-44. President Goodnow declares:

"It is certainly true that large judicial control over administrative action is incompatible with administrative efficiency, and the days in which we live, the days of the factory and the mine, the railroad and the great industrial corporation, the tenement house and the slum, make greater social control over individual action an absolute necessity. Effective social control is possible only where the administration is efficient. That being the case, it is inevitable that judicial control over administration must be curtailed."

[3] No reference is made in this place to the function of the courts as administrators. See chapter two for a brief statement of this topic.

receivership. The judges frequently dispose of the official lives of these employees with entire freedom, determining rates of pay, promotions and the like; but occasionally the civil service commission has jurisdiction. Where the judges dispose, it does not appear that favoritism and political influence have been eliminated, and no good reason is seen, in the larger courts especially, for failing to provide regularized conditions of employment under the supervision of the civil service commission.

In some special cases judges appoint administrative officials outside the judicial sphere. Thus in Chicago the county judge appoints the board of election commissioners, an arrangement the effect of which has been to make the office of county judge a prize of first magnitude in the eyes of the local political organizations, for the control of which great political battles are fought. The circuit court judges appoint the South Park Commissioners in Chicago. On the whole, however, the appointing power of judges in the field of administration is limited and extraordinary, and usually resorted to only in an attempt to break up some unfavorable political situation.[1]

Judges have, however, certain judicial duties which may directly affect the tenure of office and the activities of administrative officials whom they do not appoint. The time-honored writ of quo warranto is the recognized means of determining the right to hold office. The origin of this writ is lost in antiquity, but it appeared for the first time in statutory form in the Statute of Gloucester, 6 Edw. I (1278), as a limitation on the royal prerogative.

It has given way to an "information in the nature of quo warranto," and to statutory substitutes, the main purpose of which remains the same, to try the right to an office or franchise. It may be used by the state, at the instance of the attorney general, or with the leave of the court by individuals who claim right to office. It is a writ issued at the discretion of the court and may be denied upon ground of public policy or in consideration of general justice. The title to an office may be contested in quo warranto proceedings on any legal or equitable grounds which show the incumbent disqualified or not entitled to use the power he claims. In case the writ is issued by the state, the

[1] *Cf.* The proposal described in chapter twelve for the selection of a civil service commission.

burden of proof is on the defendant to show affirmatively his right to the office or franchise in question; but if issued on relation of an individual, the plaintiff must establish his right to the office.

The writ of quo warranto is the only direct and adequate remedy for trying the title to public office. It is widely and regularly used in cases of disputed elections (except for legislative positions), where statutory procedure for contest of elections is not employed, also in cases of lack of qualification, irregular procedure in appointment or removal, and acts involving forfeiture.

The courts also exercise an important control over the personnel of public offices by hearing and determining civil and criminal proceedings against officers. A general principle of Anglo-Saxon jurisprudence is that public officials are liable before the same courts and on substantially the same principles that govern the liability of private citizens. Goodnow points out that in England officers did not form a privileged class, but were chosen from the ordinary members of the community and after serving their terms relapsed into the ranks of society. The English officer was merely an ordinary person who happened to be discharging duties of a public character. A similar situation has of course prevailed in the United States. The same rules of law were therefore applied to officers which were applied to ordinary citizens. Their acts committed without authority of law were regarded as acts of a private individual. This required the courts to consider the question of jurisdiction, which involved them necessarily in the delimitation of the sphere of administrative competence.[1]

The enforcement of criminal liability of officials is hampered by the fact that the prosecution must originate in and be conducted by the public prosecutor. He is generally an elective official and usually a member of, or under obligations to, the same political organization to which belongs the accused official. Apart from this consideration the district attorney is in more or less close affiliation with the administration and is likely to overestimate the importance of official independence to the detriment of both private rights and administrative efficiency.[2]

[1] Frank J. Goodnow, *Administrative Law of the United States*, p. 396 (1905).

[2] Goodnow, *op. cit.*, p. 416.

The general principles of American administrative law go far to protect public officials from vexatious suits. "It often requires practically an absolute overstepping of their jurisdiction, or corruption where they have acted within it, in order to found the responsibility, and all but denies any responsibility on the part of the government for the acts of its officers." [1]

Reliance upon civil suits for damages against officials may be wholly inadequate, either because it is of vital importance to prevent an officer from performing an illegal act, or because the officer may not have enough property to satisfy a judgment. Criminal responsibility may likewise fail to give adequate protection against the administration. Some means is therefore needed to control the acts of administrative officials directly and effectively. For this purpose the courts employ a number of well-known writs, including mandamus, injunction, certiorari, habeas corpus and special statutory proceedings.[2]

3. Control of Administrative Acts, General and Special.

Administrative acts are referred to by various terms, such as orders, rules, regulations, warrants, and the like. They may be classed broadly into acts having a general application, such as a rule of the federal civil service commission requiring medical examination of all applicants for examination, and acts having individual application, such as an order of the Federal Trade Commission, directed to the Royal Easy Chair Company to cease and desist from a specific trade practice.

Without entering into a further analysis of the types of administrative action, it may be said that all must conform to certain fundamental requirements. They must not be in conflict with the constitution. They must fall within the four corners of the statute authorizing the act to be performed. They must be reasonable. They must be made in good faith. They must be made in accordance with the procedure required by statute or by jurisdiction. These fundamental requirements give rise to the occasion for judicial review of administrative acts.

A systematic analysis of the methods of civil judicial review of administrative findings is presented in the following outline:

[1] Goodnow, *op. cit.*, p. 418.

[2] For a brief survey of these extraordinary judicial remedies, *see* Goodnow, *op. cit.*, pp. 418-41. For illustrative cases, *see* Ernst Freund, *Cases on Administrative Law* (1911).

(a) Independent attack on administrative decisions, either
  (x) direct, as on
    (1) Mandamus
    (2) Prohibition
    (3) Quo warranto
    (4) Certiorari
    (5) Habeas corpus
    (6) Injunction
    (7) Taxpayers' bill, or other
    (8) Specially provided statutory proceedings, or
  (y) indirect, where the finding of the administrative body is relied on in a suit between two persons.
(b) True review,
  (x) where the administrative body applies to the court for enforcement of its decree;
  (y) where a statute provides for a quasi appeal or error proceedings in courts.[1]

The present section will deal with what Professor Isaacs calls "true review." The first type of case is well illustrated by the terms of the Interstate Commerce Act, which specify that whenever any common carrier shall violate or refuse to obey any lawful order of the Interstate Commerce Commission, the latter shall apply to the circuit court of appeals, which shall proceed to determine the matter speedily as a court of equity.[2] The second type is found in the public utilities law of Illinois, authorizing any person or corporation affected by an order or decision of the Illinois Commerce Commission to appeal to the circuit or superior court "for the purpose of having the reasonableness or lawfulness" of the order inquired into and determined.

In either case the judicial situation which arises is much the same, except that the parties are reversed as plaintiffs and defendants. The essential point is that opportunity is given to have a judicial hearing on the matter involved. The point of the hearing may be

(a) To reconsider conclusions
  (x) of law
  (y) of fact
  (z) of policy[3]

[1] Nathan Isaacs, "Judicial Review of Administrative Findings," *Yale Law Journal*, vol. 30, pp. 781-97 (1920-21).
[2] Interstate Commerce Act, sec. 16.
[3] In which case the court becomes a part of the machinery for the expression of state will.

(b) To try the trial, *i.e.*, to pass upon
  (x) the good faith, involving at times the question of whether there is any evidence worth considering,
  (y) the regularity or adequacy of procedure, as tested
    (1) on constitutional grounds
    (2) on statutory grounds
    (3) on the basis of self-imposed rules
  (z) the jurisdiction of the administrative body, as determined by
    (1) the law (constitution and statutes)
    (2) jurisdictional facts
(c) To reach a conclusion where the administration has failed to do so, or has reached an erroneous conclusion.[1]

To the extent that the courts extend these lines of review, the authority of the administration is circumscribed. As a matter of fact, the tendency of several decades seems to have been in the direction of less judicial control.

The process by which our courts have receded has at times been a mere awkward retreat, as if the judiciary had been staggered by the immensity of the task of controlling the executive. . . . When courts find themselves unable or unwilling to cope with a particular class of findings, they resort to several doctrines. . . . First they refuse to entertain direct actions against officers; then when the ingenuity of lawyers brings up the same questions collaterally, they invoke the presumption of *rite acta*. Then when the presumption is met with evidence, they are forced to put their refusal to review on the ground of the type of question involved. They readily see in the matter which they wish to leave unreviewed a question of discretion and leave us to understand that they are, as courts, concerned in such cases only with abuse of discretion amounting to bad faith. At first they either insist or imply that they reserve full power to review all findings of "fact" or of "law." A little later they will admit that some of these alleged questions of discretion are questions of fact and then . . . they conclude that in certain questions of fact there is no absolute right to a judicial review. Finally, somewhat similar questions are presented for review to the courts in which it is a little harder to refuse to see questions of law. Reluctantly will they concede in some of these cases that the questions are either "mixed" questions or possible questions of the "application" of law to particular facts.

In each decade of the last hundred years, we find at least one type of question added to the list in which the findings of the administrative tribunal are held conclusive.[2]

[1] Isaacs, *op. cit.*, pp. 785-786.
[2] Isaacs, *op. cit.*, see p. 790 for citation of illustrative cases, and pp. 791-95 for discussion of the point.

The development of the attitude of the United States Supreme Court toward the conclusiveness of the decisions of the Interstate Commerce Commission furnishes an excellent illustration of the general tendency.[1] The usual grounds on which judicial control over administrative decision is exercised are now understood to include (1) jurisdictional error, (2) error of law (including a ruling contrary to clear facts), and (3) abuse of discretion. To define the basis of review is of course a judicial prerogative discharged by the courts according to their reading of the constitution.[2] With the process by which the limits are drawn we are not concerned, but rather with the practical results which follow in the field of administration.

4. The Advantages of Administrative Autonomy.

The advocates of a substantial degree of administrative autonomy readily admit the necessity of judicial review whenever a claim is made that officials have acted beyond their jurisdiction, or that they have misunderstood and misapplied the law, including the procedure laid down in the law, or that there has been an abuse of discretion. The real issue arises on the question to what extent administrative officials should possess the power to make conclusive determinations of fact, not of a jurisdictional nature. This issue in turn is in part settled by statute. Thus by way of illustration, the Federal Trade Commission Act prescribes in case of appeal to the circuit court of appeals, "The findings of the commission as to the facts, if supported by testimony, shall be conclusive." The Interstate Commerce Act on the other hand merely makes the findings of fact by the Commission *prima facie* correct, subject to rebuttal on the weight of the evidence. Here enters in the opportunity of the court to extend or restrict its control.

The issue raised from the point of view of the student of administration therefore concerns the social and administrative consequences arising from a legal situation in which administrative findings of fact are reviewed by the courts, as compared with the social and administrative consequences arising from

[1] *See* Ernst Freund, "Right to a Judicial Review in Rate Controversies," *W. Va. Law Quarterly*, vol. 27, pp. 207-12 (1920-21).

[2] E. F. Albertsworth, "Judicial Review of Administrative Action by the Federal Supreme Court," *Harvard Law Review*, vol. 35, pp. 127-53 (1921-22).

the legal situation in which the courts accept the findings of fact of the administrative agency as conclusive, reserving their control to questions of jurisdiction, procedure, and abuse of power. The relevant considerations on which the answer must turn include the nature of the questions on which action is taken by the administration, the desirable characteristics of the solutions, the nature of the evidence involved, the training and competence of administrators and judges to deal with the evidence and reach sound conclusions, and the methods and equipment of courts and officials. The goal to be sought combines adequate recognition of personal rights as declared in the constitution with effective achievement of great social programs.

An administrative body has power of independent initiative. It need not wait until some conflict of private right brings a statute or an order before it. It may itself investigate, may issue orders in advance of claims brought before it, and may currently collect and evaluate evidence on which it may modify or extend its orders. A court may be able to take jurisdiction only after a regrettable lapse of time, has little power of independent investigation, and can deal only with the righting of the specific issue raised in the case before it.

With this preliminary distinction, we may proceed to deal briefly with the considerations referred to in the preceding paragraph. It may be observed in the first place that one type of question on which the administration is not infrequently overruled by the courts is that in which standards of judgment are unsettled both in law and in practice. Valuation is a notable illustration. Whether or not the value of a franchise should be included in the valuation of a corporation for rate fixing or taxation purposes, and if so on what basis its value should be determined, at what percentage to reckon depreciation, what proportionate value a front foot of a corner lot bears to a front foot in the middle of a block, are intricate questions in which opinion plays a considerable rôle, however well informed it may be by facts. What is a "living wage" affords an equally difficult problem in which opinion must play a part. Should there be an item for recreation, and if so at what figure; does a child need each year two pair of shoes or three at the bare edge of existence; what is a fair amount of insurance for a working man with a family of three children; all obviously questions involving not

merely a study of what is but a judgment of what ought to be. No system of judicial logic and no apparatus for gathering facts is entirely adequate to their answer.

In the second place it may be observed that the points of contact at which the chief criticism of judicial control has come involve new aspects of social policy, the conditions and effects of which are in process of discovery and exploration, such as workmen's compensation, minimum wage, valuation for rate making, reduction of hours of labor, safety devices and the like. Standards are difficult to determine in any specific and comprehensive manner and some legislatures have preferred to speak in such general terms as those employed by Wisconsin in 1911, requiring employers to furnish employment which shall be safe for the employees therein and to furnish places of employment which shall be safe for the employees and frequenters, and to adopt and use methods and processes reasonably adequate to render employment and places of employment safe.[1]

In defining standards in new fields of social policy, it is reasonable to presume that the result will be reached in part by a process of experiment, trial and error, observation and improvement. This means that a considerable degree of flexibility in the regulations imposed as between different industries may become essential. Especially as the fund of experience and knowledge accumulates a substantial need for refinement and differentiation may be expected. But on this point Professor Freund suggests, "If the main purpose is to be greater flexibility, and by flexibility we are to understand not merely differentiation but variability of regulation, it can be endorsed only with great reservations. Differentiation can be secured by statute as well as by administrative ruling.[2] Variability, on the other hand, is desirable only in very few phases of social or economic regulation, while industry needs above all permanence and continuity of policy and requirement. If the delegation of power were to encourage impermanence and fluctuation, though in pursuance of a progressive policy, the result might easily become intolerable." Professor Freund goes on to observe that the force of circum-

[1] Laws of Wisconsin, 1911, ch. 485, sec. 1021b-28. But contrast the specific provisions of the Illinois Health, Safety and Comfort Act, Laws 1915, p. 418.

[2] A question may be put against this declaration, for reasons which will appear in later paragraphs.

stances will in fact impose upon commissions a proper degree of conservatism.[1]

The nature of the evidence submitted to define standards in these new fields of social regulation is also of a novel character. To substantiate the validity of a minimum wage it is essential to evaluate the social consequences of a pittance, which raises intricate questions concerning the breakdown of family life, personal behavior, maladjustments, pressure toward social irregularity, the warping of child life, tendency toward criminality and the like. These are obviously matters which cannot be disposed of by reference to precedent and the citation of cases. To validate a limitation of the hours of labor of women, complicated problems of fatigue, the physical structure and reactions of women are to be weighed by the court, hearing and passing upon the testimony of physicians, neurologists, psychologists, social workers.[2] Science has made its way into the determination of these great issues of social policy, and eventually will dominate in their solution.

The question then arises concerning the relative competence of administrators or courts to deal with the facts of social life as they focus on these issues, and concerning the technique which they respectively employ in reaching their decisions. The point is here made that on the whole the prospect of reaching socially desirable results is greater where the facts are found conclusively by the administrator than where they are subject to revision by the courts. This is thought to result from the superior preparation of the administrator for dealing with this type of evidence, and with the superior equipment which the administrative agency possesses for getting at the facts. Concerning each of these assertions we need careful case studies.

An administrative commission may be itself an expert body upon appointment and usually rapidly becomes expertly informed in the natural course of its work. An administrative commission may be representative of the interests affected. The administrative agency is appointed for the specific purpose of

[1] Ernst Freund, "Substitution of Rule for Discretion in Public Law," *Am. Pol. Sci. Rev.*, vol. 9, pp. 666-76 (1915).

[2] *See* Josephine C. Goldmark, *Fatigue and Efficiency* (1912); Louis D. Brandeis and Josephine C. Goldmark, *Summary of Facts of Knowledge*, in *People vs. Schweinler Press* (1918): Felix Frankfurter and others, State Minimum Wage Laws in Practice, a brief on behalf of amici curiæ, in *Gainer vs. Industrial Welfare Commission of California* (1924),

dealing with a given set of facts and handles no other kind of case. On the other hand, it must be recognized that the commission may be so selected as to represent the special point of view of the appointing authority which may bias its consideration of facts, and occasionally it happens that the positions are used to take care of political dependents rather than to secure competent arbiters.

A court, on the other hand, while expert in law is not usually so widely informed in the intricate facts of social life. It deals with many types of judicial work, of which the review of administrative decisions is only one. The mind of the judge naturally turns to precedent for a solution rather than to "nebulous" assertions about social consequences. The training of the lawyer-judge has not been a training conducive to a broad consideration of the issues at hand. Like the administrator, he may view the evidence through colored spectacles, but of a different color.

In the technique of collecting evidence, the administrative agency seems to have an undoubted advantage. In the hearings before the administrative commission, the technical rules of evidence do not bar access to pertinent information. Judicial rules of evidence grew out of the exigencies of protecting the jury from evidence which might mislead or confuse untrained men. They are probably superfluous in an administrative proceeding conducted before competent specialists, and have been said to be "particularly ill adapted to the type of cases with which the Federal Trade Commission is concerned." In the important federal boards exists an elaborate equipment for securing facts. Thus the Federal Trade Commission in 1921 disposed of the services of an investigational branch comprising eighteen attorneys, examiners and clerks, an economic division with one hundred and twenty-seven examiners, special agents, and other employees, and three branch offices at New York, Chicago, and San Francisco with their complements of attorneys and examiners. No court has a fact finding staff such as this. Courts indeed do not find facts, independently; they deal with facts presented to them by attorneys of the opposing parties. Such facts are usually thoroughly and systematically presented, but there are distinct advantages in the administrative staff equipped to make its own independent investigations.

The elaborate methods used by the Federal Trade Commission to inform itself about trade practices emphasize the distinction between the court and the administrative commission. The Federal Trade Commission is authorized to file a complaint only when "it shall have reason to believe" that the law is being violated, and if "it shall appear to the commission that a proceeding by it in respect thereof would be to the interest of the public." How does it reach these preliminary conclusions? The first step is usually an application for a complaint by someone who claims that the law is being violated. The application is assigned to an examiner who proceeds to make an investigation, either by correspondence or in the field, more or less extended as the facts of the case determine. He makes a report, with a recommendation, which is reviewed by the chief examiner to insure that the investigation is complete and that a correct conclusion has been reached.

The file is then transmitted to the board of review, composed of two lawyers and an economist, which analyzes the evidence and the examiner's report, prepares an opinion and submits its report to the commission. The report is assigned to one of the commissioners, who in turn files a memorandum with a written recommendation. Thus informed, the whole commission takes the first preliminary step, in deciding whether "it has reason to believe" that there has been a violation of law.[1]

The procedure illustrated by the Wisconsin Industrial Commission also points to some of the advantages of administrative fact finding, rule making and enforcing. This commission is empowered to issue orders determining reasonable safety regulations, and hours of labor for women and children. In determining the proper safety regulations, the experts of the commission consult with committees representing employers, employees and engineers engaged in the line of work concerned. In determining its minimum wage orders, it has the advice of a large board, including four employers selected on nomination of employer organizations, four employees selected on nomination of the employee organizations and four representatives of the general public.[2] This board hears witnesses, gathers evidence, and by

[1] *See* Gerard C. Henderson, *The Federal Trade Commission*, pp. 49-52 (1924).

[2] J. M. Turner, "Democracy in Administration," *Am. Pol. Sci. Rev.*, vol. 17, pp. 216-30 (1923).

process of mutual give and take comes to an agreement on the precise formula which is recommended to the industrial commission for promulgation. "To bring this board to an agreement is no easy task for the commission. . . . It was not twelve people but all the interests in the state negotiating there." The task of enforcement, however, is immensely lightened by the fundamental agreement on program.

The inventive capacity of the administrative commission is nicely exhibited in the trade practice submittal procedure of the Federal Trade Commission.

> This trade practice submittal consists of an invitation, which is in no sense a summons, for the whole industry or its representatives, to meet together in the presence of the commission and discuss the merits and demerits of practices which have been complained of to the commission and any other practices which may be brought to the attention of the meeting.
>
> At the end of the discussion, each of the practices which have been examined and taken up separately, are submitted to the industry for an expression of opinion as to their fairness or unfairness, their usefulness or harmfulness. The commission does not participate in the meeting except to ask questions which will tend to bring the whole matter clearly into the record.
>
> If the practically unanimous opinion of the representatives of the industry condemns a given practice, the commission receives that expression of the industry as being founded on expert knowledge, business experience and peculiar familiarity with the industry, with respect to the condemned practices, and likewise the sanctioning of a practice by the industry, even though the propriety of that practice has been questioned by application for the issuance of a complaint, is similarly regarded as being the expression, based upon the experience of the industry and its business judgment.
>
> Such a practically unanimous expression on the part of a representative body of an industry is given great weight by the commission in considering such practices. It should be understood that it represents no decision or judgment on the part of the commission and is in no sense binding upon any one not present at the meeting. Nor indeed is it binding upon any one who is present at the meeting, but who dissents from the majority opinion. The effect is that the weight of opinion of the industry has been communicated to the commission and that thereafter the commission will feel it to be its duty in case complaints are made to it of a continuance of the condemned practices on the part of any member of the industry, to issue its formal complaint, after inquiry and the public interest determined, in order that by means of a formal and orderly proceeding with an opportunity for subsequent court review, the judgment of the industry may be sub-

jected to the final test of the courts. Also in case of a division of opinion on any given practice, the commission considers the question to be so much in doubt that it should be left entirely open to be challenged, if any one desires to challenge it, and made the subject of a more formal proceeding.

To sum up, then, the trade practice submittal amounts to a request on the part of the commission to a given industry that it give its opinion with respect to the fairness or unfairness of any trade practices which have grown up or are growing up and that this opinion be received by the commission as the best and most authoritative judgment then obtainable, but that this judgment may be challenged by any member of the industry and thereafter be made the subject of a more minute examination in a proceeding around which are thrown all the safeguards of a proceeding in court.[1]

These extra legal proceedings are beyond the competence of a court. They are said by Henderson to be "invariably more illuminating, more judicial in tone, and more imbued with the scientific spirit, than are the findings entered in formal proceedings. . . . I have no doubt that the educational influence of a single trade practice submittal is as valuable as the coercion of a host of formal complaints and orders." [2]

These illustrations must suffice to support the belief that the procedure of the administrative agency, as well as the early training and experience of the administrator, is better suited than the procedure of the court to reach socially desirable solutions of many of the perplexing problems of adjustment which modern society has created. For this reason, administrative efficiency and social advantage cooperate in suggesting that judicial review of administrative findings of fact be limited to the rule expressed in the Trade Commission Act, "The findings of the commission as to the facts, if supported by testimony, shall be conclusive."

The point is well stated in the following words:

An administrative officer, however, like a jury, may in a given case act upon an erroneous interpretation of the law which gives him authority; or he may base his decision upon factors to which he was not intended by the legislature to give weight; or he may adopt a procedure which deprives interested persons of the opportunity to bring relevant facts or arguments to his attention. To meet such cases, court review must be provided, unless some paramount social interest renders it impracticable. Unless the very purpose of administrative action is

[1] Federal Trade Commission, *Trade Practice Submittals, 1919 to 1923*, pp. 21-22, quoted in Henderson, *op. cit.*, pp. 79-80.
[2] Henderson, *op. cit.*, pp. 243-44.

lost sight of, however, the review will be restricted to questions of this character, and will not extend to any issue of fact or conduct which was entrusted to the official in question on account of his supposed technical experience or capacity for sound practical judgment. It would be absurd for a court to consider *de novo* the engineering questions involved in a determination of the Chief of Engineers of the Army that a bridge is an unreasonable obstruction to navigation, or of the medical authorities in the Bureau of Immigration that an alien has a communicable disease, or of the Interstate Commerce Commission that a rate is likely to bring a return of six per cent. Whether these are analytically questions of law or questions of fact, the very purpose of the legislature was to create a competent expert tribunal to decide them, and this purpose is clearly defeated if a court proceeds to substitute its lawyers' judgment for the judgment of such a tribunal.[1]

The Supreme Court of the United States appears, however, to intend to retain a wider degree of control over the Trade Commission. "The words 'unfair method of competition' are not defined by the statute, and their exact meaning is in dispute. It is for the courts, not the commission, ultimately to determine what they include." [2] But in the case of the Interstate Commerce Commission there is a range of "administrative questions" upon which the Supreme Court will refuse to substitute its judgment for the judgment of the commission. The cases defining these questions do not rest on any supposed distinction between questions of fact, or law; generally they are neither, but merely judgments of a practical character. "They do not rest upon any statutory limits on the right of review. They rest on a statesman-like comprehension of the purpose and function of administrative enforcement, and of the importance of expert decision upon questions of great economic importance." [3]

[1] Henderson, *op. cit.*, p. 97.

[2] *Federal Trade Commission vs. Gratz*, 253 U. S. 421 (1920). Out of twenty-one decisions of the circuit court of appeals, the orders of the commission were sustained in five and reversed, in whole or in part, in sixteen. Three have been appealed to the Supreme Court (1922), in two of which the Trade Commission was sustained. *See* T. L. Mechem, "Procedure and Practice Before the Federal Trade Commission," *Michigan Law Review*, vol. 21, pp. 125-59 (1922-23).

[3] *See* U. S. Judicial Code, sec. 269, as amended by Act of February 26, 1919. The prevailing current of opinion is in part expressed in a provision drafted by the American Bar Association and adopted by Congress and more than half the states, reading, "On the hearing of any appeal, certiorari, writ of error, or motion for a new trial, in any case, civil or criminal, the court shall give judgment after an examination of the entire record before the court, without regard to technical errors, defects, or exceptions which do not affect the substantial right of the parties."

CHAPTER TWENTY-ONE

TRENDS OF MODERN ADMINISTRATION

The historian possesses a certain advantage over his colleagues in the related social sciences for he can develop his subject in a chronological sequence which lends itself to coherence and unity more certainly than the analytical methods of his associates. But the student of administration must also concern himself with the history of his subject, and will gain a real appreciation of existing conditions and problems only as he becomes familiar with their background. In concluding this volume, therefore, a sketch of some of the main lines of evolution will be presented, with the hope that it may serve to bind together the many threads of the preceeding chapters. Historically, as administration has passed through the era of individualism to collectivism and out of the rule of thumb period into the age of science, the outstanding tendencies in America have been the rise and fall of the spoils system, the growth and decay of the local area, the emergence and eclipse of the independent office, the dominance and decline of the amateur, and the beginning of a "scientific" approach to administrative problems.

Preliminary to this sketch it is important to note some of the more important general conditions which in their *ensemble* have profoundly affected our administrative system. Among these may first be cited the dominance of great constitutional and economic issues which have long crowded administration into the background. For the first half of our national existence the conflict over the nature of the union and the extension of slavery absorbed the attention of statesmen and public alike. Webster and Clay and Calhoun might pause to protest against the degradation of the public service, but when the very existence of the Union was in the balance, the lesser issue of safeguarding the conditions of employment could hardly detain them. When the constitution was denounced as a "covenant with death and an agreement with hell", the methods of appointing customs officers

and land agents could hardly command much attention. After these burning issues of slavery and the Union had been finally settled by war, a new economic world began to make insistent demands upon men's minds. The regulation of railroads and public utilities, the protection of American industry by a high tariff, the relief of western farmers by the unlimited coinage of silver, the expansion of America overseas by the acquisition of the Philippines, the encouragement of American enterprise in the world market by the creation of export combinations, finally the settlement of the great economic problems inherent in and arising out of the World War have successively held the center of the stage, while methods of conducting public business have perhaps inevitably been honored chiefly by neglect.

This neglect was rendered more feasible on account of the unparalleled natural resources of the country which easily supported the relatively slight burden of taxation. Better methods of government, to be sure, might have saved millions of dollars, but the loss was hardly felt. And it was argued that the expenditures of the government go directly into the pockets of its citizens, and no occasion for serious alarm was felt even when Congress finally achieved a billion dollar budget. The state governments, moreover, did not begin to expand their scale of operations until the opening of the twentieth century, and are only now becoming aware of their enormous commitments in highways, education, and public welfare institutions. The gap between the constitutional hypothesis in Illinois (a debt of not over $250,000) and the outstanding bond issues approved by popular vote (nearly $250,000,000) indicates how far one state at least has strayed from the ideas of sound finance of a generation ago. But no one would assert that the resources of Illinois were unduly burdened by a debt of a quarter billion.

Our administrative system has also been profoundly affected by our freedom from the fear of international conflict. The army was without a general staff until after the Spanish-American War, and the conduct of the supply services during the few months of that war gave eloquent testimony to the neglect into which our enviable world position had led us. Less clearly but no less truly our civil administration has never until the last decade felt the pressure for high power efficiency which international conflict, whether in war or in business, induces. The

historical military position of France certainly helps to account for its highly organized administrative system, while the English Channel may perhaps be counted as among the influences which for centuries perpetuated and consolidated the local power of the English squirearchy.

The social *milieu* of America has been unfavorable to the development of highly organized bureaucracies. The frontier has been characteristic of most of our national life, and the frontier breeds qualities of self-reliance, initiative, and independence which are not conducive to government supervision. Jackson epitomized the characteristics of his age, and the country has not yet wholly emerged from the conditions which made him a representative figure.

The political control has corresponded to the social situation. The United States has for the most part been governed by the representatives of rural areas. The Senate will continue for many decades yet as the stronghold of rural influences. Most state legislatures are dominated by country representatives, either by virtue of the prevailing economic life or, as in Illinois and some other states, by virtue of an apportionment made when the rural sections were really entitled by numbers to rule, and continued in spite of the existing numerical preponderance of the city population. Administrative institutions of the non-hierarchical type, largely depending upon direct election, conservative in temper, and minimizing the importance of the specialist have been characteristic of the rural regions and have tended to perpetuate themselves on a large scale in state governments.

Finally it must be admitted that in comparison with European countries the best minds of the United States have on the whole been given to private rather than public enterprise. Big business, transportation, public utilities, engineering, education have absorbed the interest of the leading men rather than government. Our departments, federal, state, and local, have been directed, with some notable exceptions, by inconspicuous figures. It is remarkable that in the course of a century and a quarter so few men in public life stand out on account of their administrative ability.

Many of these conditions have been in the process of transformation, and if we try to plot the curve of probable development for the next decade or two we may find some clues in the

events of the last twenty years. The constitutional and economic problems are yielding place for the moment to the problem of economy, which is the fertile soil out of which spring many administrative improvements. Our taxing capacity has felt the pinch of unexampled levies and three billion dollar congresses are causing much searching for leaks in the financial barrel. We have become an active competitor in the world market, with the handicap of a scale of wages higher than anywhere else, supported by powerful unions. Business has been told both by the unions and by management that it can lower costs only by better management. Government service is an important part of business economy; and in the struggle for world commerce, business will certainly insist upon efficient government operations. The national budget and the reform of the consular service are the first steps.

The frontier is rapidly receding as great cities develop on the western plains and as population continues its aggregation. Where the frontier once stood are now important urban centers such as Fort Worth, Wichita, Denver, Fargo, Butte and Cheyenne. But the influence of rural institutions is not readily eliminated. Constitutional provisions, unalterable except with the consent of the rural regions, bar the easy modification of political institutions to correspond with changes of population and enterprise.

In the older sections of the country one may perhaps discern a certain prestige in the holding of public office which is rarely found in the more recently settled regions. In attempting to catch the spirit of our administrative institutions it is essential always to bear in mind that "the states" are, relatively speaking, a new country. The eastern seaboard to be sure now has traditions of three centuries; but the Mississippi valley has been politically organized for less than a century and much of it for less than fifty years. The most thickly populated state west of the Mississippi has only fifty inhabitants per square mile (Missouri) and the average population is not far from twenty per square mile. The conditions of many of these areas still reproduce those which Jackson represented.

The history of the last half century has recorded an uninterrupted enlargement of the scope and intensity of public administration. The country changed from a rural-agricultural to

an urban-industrial community, and *pari-passu* from a *laissez-faire* to an interventionist policy. A startling contrast is presented by the mere description of the activities of an American commonwealth in 1820 and 1920. During that century one function after another was assumed, lines of control were developed over the towns and counties, connections were established between state and federal governments. Administration in 1925 therefore covers immensely more ground than even a generation ago; also it operates with greater intensity as its methods improve and its personnel develops.

The technique of administration has passed through a remarkable evolution. The physical equipment has been completely transformed. Typewriters and stenotypes have replaced the quill pen; adding and calculating machines, the auditing clerk; the telephone, the telegraph, the telautograph, the radio have knit the administrative machine into a compact organism; the mimeograph and photographic reproduction have eliminated thousands of copyists. Almost no part of the office equipment of even three decades ago remains.

The art of management has made equally remarkable progress. The selection of candidates, the assignment and supervision of work, the elimination of the superannuated, the encouragement of latent ability, the progressive achievement of joint responsibility for conditions of employment all furnish notable illustrations. The growth of long time planning, developed by public utilities to the point where they cast their lines out a decade in advance, may be observed on a lesser scale in government circles as well. In short, administration has become aware of itself as an integral part of the process of government, and is preparing to make a constantly more significant contribution.

Looking backward over our administrative inheritance the most dramatic sequence has been the rise and fall of the spoils system. Nursed into lusty youth by bitter political conflicts in a few of the state governments, it sprang into vigorous majority on a national scale in 1830. Its more degrading implications were gradually explored until the spoils system reached its climax in the spectacular exploits of Tweed and Tammany Hall in New York, the Credit Mobilier scandals in the national government, and the "Jack Pot" legislature of Illinois. These and other scandals eventually aroused a powerful opposition which has gradually accomplished

the downfall of the spoils system as the characteristic feature of our administrative methods. The battle has had the qualities of a siege rather than of a movement in the open field, and the spoils beneficiaries have given stubborn resistance to the reformers. No one can be sure yet that they are finally dispossessed, for they are still strongly entrenched in many stout breastworks, from which they may emerge whenever the friends of good government rest. But the "change of public opinion" which George William Curtis welcomed in 1891 as "the happiest results of the ten years' agitation for reform" is moving steadily in the direction of merit and away from the stronghold of spoils, re-enforced as it is by the change in the conditions of administration which makes the spoils system more and more an anachronism. The adoption of the city manager plan by such municipalities as Cleveland, Rochester and Cincinnati is an encouraging sign of the drift of the times toward scientific administration.

The text books repeat that governments have a greater degree of stability in their local areas than in their national organization. James Bryce a generation ago spoke of our municipal governments as the one conspicuous failure of the American people. It is a matter of the utmost importance and significance that municipal government has been so radically improved in the last twenty years, and that the drive for improvement has by no means slackened. There are few municipalities now in which a reasonable minimum of efficiency is not achieved. The weakest spot in our administration is at the state and county levels. The states are now at work but the counties remain the dark continent of our public life.

In a single generation England passed from a traditional spoils system which was thought to be essential to her system of government to the merit system. The transition was favored by the fact that a very small number of persons comprised the governing class, and by the social unity which bound this group together. The United States is going through a similar period of transition which is prolonged on account of the immense number of persons who officially or unofficially participate actively in the process of government. But all the underlying conditions are steadily working toward the more complete achievement of merit and competence in the public service: the pressure for effi-

ciency from the public and from interested groups, the constant development of the need for the expert, the increasing damage which bungling methods may cause, the contributions of science to management, and the improvements in the tone of public life.

The rise and fall of the local area as the pivot of our administrative system runs through most of our history. The process is almost universal, but is proceeding at different rates of speed in different parts of the country. It is difficult for a continental student to realize how completely our administrative structure has been decentralized. The state legislature, rather than the governor, has traditionally been the center of what control has existed, and this control has exhibited so much rigidity and lack of intelligence that the centralizing tendencies have been delayed to the point where much harm has arisen. Centralization has been delayed too because the character of our state governments has not been such as to encourage complete belief in their wisdom or efficiency. The growth of great cities in some states has made central control seem almost anomalous, and is resented as rural domination of the city. On a national scale the march toward Washington, which goes on without interruption, is now stirring lively protests on behalf of state rights.

But in spite of many conditions which delay, the main drift of the times is unmistakable. Our administrative system is constantly building up into higher levels, and is constantly spreading out into wider areas. Given our economic and social structure it is difficult to understand how anything else can be the case. The economic interpenetration of one part of the country with another, the amazing mobility of the population, the community of interest on a national scale in such matters as highways, health, labor supply, taxation, education, methods of communication, as well as the older communities of interest in such matters as foreign affairs, the army and the navy, demand political and administrative organization to correspond with national needs. The most dramatic demonstration in recent years is the problem of regulation of the use of the ether for radio transmission, which will soon be institutionalized in the department of commerce of the national government. Not all commodities and agencies of our national life are so obviously national in their scope, but in the last two decades a profound

transformation has already been accomplished in the direction of creating a new national psychology to support an enlarged area of national administration.

The town, the incorporated village, the county, the local district will nevertheless long have a share in the conduct of public business. They are fighting a losing battle, but they are fighting obstinately and tenaciously. The state also can be counted on to protect itself to the end. The amount of organic connection between state and national governments is still slight, although the process of federal aid, if continued, will rapidly establish a new régime. The European conception of a federal government, vesting the lions' share of administration in the respective states, is yet unknown in America and the present line of evolution does not seem likely to approach it. Responsibility for planning on a national scale for national problems will presumably center more and more at Washington; on the scale of the commonwealths, at the respective state capitols. But the initial responsibility for execution of national matters may possibly be deconcentrated upon the state governments; on a smaller scale upon the municipalities. Such a tendency would parallel a movement in the organization of great industrial plants. But the states must demonstrate real administrative capacity if they intend to launch a powerful counter-offensive against the centralizing movement by demanding responsibility in the conduct of matters of joint state and national interest. Unfortunately our administrative history has not given ground for supposing that this premise can be easily achieved; and therein lies an outstanding reason for the gradual displacement of local areas in favor of state and national authorities.

Coincident with the eclipse of the local authority has been the decline of the influence of the amateur. The "common man" who in 1840 was equally successful as furniture dealer, real estate agent, undertaker, and county supervisor or road agent has by no means disappeared. His importance in local affairs remains enormous, and it is difficult to overstate the contribution which he is making to the fulfillment of American democratic institutions. He belongs, however, to an age which is slowly disappearing in a large part of the country. He is characteristic of a relatively simple, undifferentiated and individualistic community. He is out of place in the complicated, specialized, integrated, and

delicately adjusted community which the great urban groups represent.

In his place is gradually infiltrating the permanent official, who enters the service at an early age and who becomes a specialist. It is the specialist who is becoming the characteristic mark of our administrative system as he has already long been in Europe. He may be a specialist by virtue of his preliminary training, such as the accountant, institution physician, geologist, road engineer, food chemist, or bacteriologist; he may become a specialist by long practice in a given type of work, such as the income tax or patent examiners, the utility "engineer," the rate clerk, or the purchasing agent.

The necessity of calling upon the services of experts is having a steady effect in transforming the character of the administration. The employment situation has to be adjusted so that capable men will come forward and remain in the service of the state. This means primarily that political influence must cease; and in some states there is the remarkable spectacle of a spoils administration within which exist numerous small enclaves of professional groups wholly untouched by the prevailing system. It means also that reasonable conditions of pay, proper equipment, and for the best men some opportunity for research must be provided. It means finally that in this group of experts may be expected to germinate the seeds of professional ideals, the full development of which would transform the public service.

Within the structure of the administration the most notable recent development has been the decline of the independent office. The principle of autonomy had been pressed to an extreme in state, county, and municipal governments, resulting in a disintegration whose results have been very costly. The election of public officials was partly responsible for the lapse of effective supervision, but even when officials were appointed, law and custom gave slight control to the appointing authority. The only important check was the auditor, whose supervision was limited to questions of the legality of expenditures and the proper use of funds. He never has been recognized as possessing the power of questioning the expediency or wisdom of proposed action nor of questioning the efficiency of a department. Each official became accustomed to perform the duties imposed upon him by law with substantial freedom from external control.

All this is rapidly changing. The independence of a multitude of small offices is yielding to "the supreme executive power" of the governors and the President, who are actively assuming the duties implied by their constitutional position. Staff agencies are springing up in the form of budget bureaus and directors of finance which are forcing the rapid capitulation of the old order. The heads of departments are being invited to coordinate more closely with their colleagues in working out well balanced and carefully matured financial plans, in eliminating duplication of effort, in submitting to supervision of their printing and purchasing, and in selecting personnel through a single agency, the civil service commission. This readjustment is one of fundamental importance, which friends and opponents alike agree is having a profound effect upon the character of our administrative system. Its further developments will be of outstanding interest to students of government.

A world wide movement which is characteristic of the twentieth century is the organization of public officials and employees. The tendency is a part of the general trade-union movement on the one hand, and on the other the reflection of a growing professional and occupational solidarity which has been recently brought to a focus by the unprecedented changes in the cost of living. In federal, state and municipal governments important organizations of employees and officials may now be encountered. Owing in part to their lack of maturity they have not yet commenced to affect administration in any notable manner. But they are surely significant indications of a new force within the official hierarchy. Exactly what their purport is to become remains uncertain. On the one hand they may harden into typical trade unions, allying themselves closely with organized labor, and introducing the labor point of view into the conduct of the public services, with the concomitants of uniformity of pay, quasi-monopoly of position, and jurisdictional disputes. They may become trade unions to the extent that their objectives will be much like those of their industrial counterparts; increases in salaries and wages, and reduction in hours of work. Unless reasonable provision is made for fair wages, good working conditions, and some guarantee against arbitrary discipline, the employees will certainly seek these things by using their collective power.

If the hopes of their more visionary fellow craftsmen on the continent are fulfilled, they may provide the framework of the new state. The syndicalists demand that the existing political state abdicate, to make way for a new order in which each service will become a self-governing unit performing a specified function on behalf of the group of related syndicates which will collectively fulfill social needs. Only thus, say the syndicalists, can the full potential capacity of the official be released for the social good.

In America these organizations are more likely to develop along more restricted lines, partly toward trade-unionism, partly toward professionalism. Labor, skilled and unskilled, merges readily into the American Federation of Labor; some of the white collar group ally themselves here also, but only a minority. The bulk of the non-labor group seems to lack both important grievances and a high reaction index; they are non-combatants; their leaders refer to them sometimes as "submissive." They are at bottom satisfied with their employment, although indulging in the universal privilege of grumbling and hoping for better times.

A minority of the non-labor group is ripe to crystallize into a definite professional organization. The process is already under way in England; we may be expected to follow. The elements of the profession are at hand: a common service, a selected group, a special technique, a unique body of knowledge, a career. Many professions are already firmly established and organized, pointing the way to the permanent public official. The doctors, the dentists, the lawyers, the professors, the architects, and the ministers have their professional associations. Like them, the more responsible administrators will seek professional coherence and recognition. By this means they will succeed in defining more consciously their rôle in the state, their relations to the public, and their special contribution to society. The code of ethics of the city managers is a noteworthy sign of a new age.

To take into consideration all the items which contribute to the general drift of the times is impossible. But no survey, however summary, could fail to recognize the rapid emergence of a conscious desire for improvement. We may almost call the twentieth century the era of conscious demand for better government. The demand has coincided with an opportunity fur-

nished by the growth of scientific study of government and management which is characteristic of no other period in American history. The scientific management philosophy asserts that there is one best way of accomplishing ends, and proceeds with undaunted courage to discover that way. It has already developed a remarkable technique, not only in purely mechanical operations, but equally in achieving economy in human effort. Its methods of research have been constantly subject to greater refinement, until a high degree of scientific certainty has been attained.

On a somewhat less refined scale, competent specialists have been pursuing studies of our local, state, and national administrative systems. The process of analysis and scrutiny has been objective and systematic, if conducted as yet on rather broad lines.

The search for improvement in public administration has developed a unique American institution, the unofficial bureau of municipal administration, with its counterpart in the state and national fields. These bureaus are supported by private subscriptions, and are governed by boards of directors on which sit representatives of the subscribers and men of affairs with an interest in better government. A staff usually of eight or ten men and women is retained who devote all their time to the prosecution of studies and the suggestion of better methods of government. The investigations are sometimes undertaken upon the initiative of the bureau, sometimes at the request of the citizens or officials of a city or state. The bureaus of research are usually not affiliated with institutions of higher education, and herein lies one of their sources of weakness.

The leading American universities are also developing programs of study for the improvement of methods of government. In a research institution this is almost inevitable, but an important research program depends upon the provision of special facilities, enlargement of staff and partial release from teaching obligations. The universities have such commanding advantages in carrying on this type of work that it is likely they will eventually do a great share of it. They are permanently established and in the more important institutions free from political, religious or economic bias. They not only have competent scholars in the field of government, but also have specialists in all the

neighboring fields of economics and statistics, sociology and anthropology, history and education. The university is a vital center of knowledge and experiment which seems destined in the future to come closer and closer to the real problems of life in all its phases, and not least to the problems of government and administration.

However this may be, the present age as no other in our national life, is one of inquiry, criticism, reasoned analysis, and constructive improvement in politics. That public administration will be eventually profoundly affected can not be open to question. The amazing confusion into which the business side of government had drifted by 1900 leads one to believe that for generations the public authorities simply abdicated their responsibilities, creating a remarkable opportunity for scientific study preliminary to intelligent reorganization.

These, then, are the main lines of development: the steady growth of the merit system with its implications of permanent employment and the provision of a career, the constant limitation of the unregulated authority of the local area, the rise of the principle of administrative supervision and unified leadership, the emergence of the specialist and the expert, the origin of significant economic and professional organizations of public employees, and the rise of scientific inquiry into problems of government and administration. Each of these movements seems likely to project itself into the future for decades yet to come.

Significant advances have been made in the last two decades. The establishment of a better system of financial administration, the protection of public funds, the reduction in the number of departments coincident with their better coordination, the development of supervision of the business operations of local and independent agencies, the improvement in the technique of examination, the rehabilitation of pension funds, the more scientific classification of positions, the recognition of the right to form employee organizations, the development of welfare programs, the establishment in some cases of joint councils representing employees and the government for the discussion of work conditions indicate that we are in a healthy period of growth.

Many problems, however, remain unsettled. In a humorous mood, a British civil servant recently remarked, "We are the ultimate repositories of a dark science, and it is a brave or

well-instructed man who will challenge our oracles without a foreboding of disappointments to come." This *bon mot* hints at a perplexing problem. With the constant evolution of special technique and the increasing complexity of organization and function, how can a working connection be maintained between the official and the public? Lacking such a connection, the danger of mutual misunderstanding and misconception is great. Advisory committees are useful on a small scale but can hardly become a complete liaison. Nor is the solution to be found wholly in the elected representatives. It was a real merit of the decentralized and self-governmental form of administration now gradually being replaced that it remained in close touch with the people. To maintain popular confidence in a vast bureaucracy far removed from popular control and increasingly required to interfere in the personal life of the individual is a far more difficult and also more important problem.

What will become the settled relationship of the administration to the legislature and the courts is an interesting speculation. It is clear that some type of control relationship will persist in each case; to what extent it may be modified in favor of greater administrative freedom, to what degree it may be affected as the administration gradually takes over a substantial part of the work of assemblies and judges is uncertain but sure to be significant.

The pivot of the new administration may become the mayor or governor or president, or it may become the city manager, the director of finance, and the budget officer. Or there may be no single pivot. But present tendencies clearly indicate a single *point d'appui*, in the cities either a political-administrative figure (the mayor) or a technical administrator (the manager), in the states a political leader (the governor) in the United States also a political leader, but with an apparent inclination to develop administrative leadership. Whether the dominant influence in administration is to be that of an elective political leader or that of an appointed technician is a profoundly important issue.

Our administrative system is built on the theory of mutually exclusive units. The success of a police chief in Columbus, Ohio, has nothing to do with his opportunities in Sacramento or in Jersey City. The most extraordinary provincialism holds sway in city, county, and state governments, which largely destroys

the great promise of public life to young men and women. There is no indication at present that the issue is even clearly put, but the time must come when the pooling of the administrative services will be seriously considered. County attorneys, auditors, police officers, as well as superintendents of schools should be envisaged as part of a state-wide, if not nation-wide service. A prosecuting attorney who develops capacity in a small county should have a chance to compete for a more responsible post in a larger county, or in the state or municipal governments. Popular election of these officials would necessarily be abandoned, and appointment on the basis of merit as ascertained by the records and examinations of applicants be substituted. The advantages from the point of view of efficient service are obvious. On a somewhat different scale it would be possible to work out a system of interchange between federal, state, county, and municipal services in a given urban area.

The recent formation of the American Municipal Association suggests significant possibilities for the future. Over one-half our population is now found in urban areas, and about one-fourth in cities of 100,000 population or over. If the political and administrative interests of these powerful groups are successfully united, they will inevitably become a great center of investigation and research. The union of the American Municipal Association and the City Managers' Association by means of a common secretary may easily eventuate in a remarkable advance in the technique of public administration.

Among the interesting interrogatories of the future is the evolution of the prestige value of public office. This intangible element in public life plays a powerful role in other countries. Will it eventually count for more in the United States? The answer is clouded with uncertainty, but one may guess that it will.

If the prestige value of office can be enhanced, an important contribution will be made to the most baffling and in a way the most significant problem of good administration. The problem is to discover and place in operation a set of human motives which will sustain maximum effort and loyalty and develop the full creative power of the public official and employee. This is the problem of morale, the seal and testimony of a supremely successful system of public administration. The solution is clearly not to be sought in a superlative centralization; nor is it

to be found in a radical concentration of power in a super-administrator; nor is it to be discovered in a semi-military conception of the public service which saps initiative and nourishes bureaucrats. One may suggest that in part at least the answer will flow from the achievement of trusted political and administrative leadership, and from the recognition and gratification of the universal human aspirations of the multitude of men and women who toil, often in obscure positions, for the common weal.

APPENDIX ONE

SOURCES OF PUBLIC ADMINISTRATION

The practice and principles of public administration are being developed by many agencies. Of prime importance are the great administrative offices in which the issues and problems are met with day by day in the course of business, and for which some solution is imperative. Familiarity with the work of any great department will reveal a well established mass of rules, orders, minutes, customs, understandings, which have been derived from the necessity of applying law to the complicated facts of human existence. An important contribution to the understanding of the nature of public administration would be made by a careful analysis of the growth of these principles in such an office as the Veteran's Bureau, or the Income Tax Unit of the Treasury. Of even more general importance are the methods now being developed in the fiscal and personnel control agencies such as the United States Bureau of the Budget, the Illinois Director of Finance, and the civil service commissions. The decisions of the Comptroller General of the United States, and the system of jurisprudence evolving from the regulating commissions endowed with quasi-legislative and quasi-judicial power are of equal interest.

This source of administrative science is of course co-existent with the government itself. Much more recently, and indeed in the United States only within the last two decades other important sources have been established. Of these the research institutions and foundations deserve especial notice.[1] The New York Bureau of Municipal Research, founded in 1906 by private contributions, and reorganized in 1921 as the National Institute of Public Administration, was the forerunner of a considerable number of similar private and public institutions, of which it will suffice to note the Philadelphia Bureau of Municipal Research, the Detroit Institute for Governmental Research, the Chicago Bureau of Public Efficiency and the Dayton Bureau of Municipal Research. These institutions, with the exception of the National Institute of Public Administration, are devoted chiefly to the improvement of conditions of local municipal government. They make investigations of problems of current interest, prepare reports, and occasion-

[1] *See* G. A. Weber, *Organized Effort for the Improvement of Methods of Administration in the United States.*

ally cooperate in carrying out approved plans. They also play some part in training young men and women for administrative work. The New York Bureau of Municipal Research was for a time especially successful in this endeavor. There is little systematic publication from these institutions, but in their files is to be found material of great value.

The Institute for Government Research was founded in Washington in 1917 by means of private gifts. "It seeks by the thorough going study and examination of the best administrative practice, public and private, American and foreign, to formulate those principles which lie at the basis of all sound administration." The Institute has dealt chiefly with budget reform and with the reorganization of the administrative agencies of the federal government. It publishes freely, including a series entitled "Studies in Administration," another entitled "Principles of Administration," and a third entitled "Service Monographs."

Affiliated with the Institute is the Bureau of Public Personnel Administration, established in 1923. This Bureau has for its special task the improvement of personnel methods, and has done most work in the preparation of examinations for certain types of positions. The Bureau acts as the staff agency for the National Assembly of Civil Service Commissions and gives a considerable amount of consulting service. It publishes "Public Personnel Studies."

The Personnel Research Federation deals chiefly with personnel problems in industry, but is also interested in the public service. It has a diverse membership, including the National Research Council, the Engineering Foundation, and the American Federation of Labor, a number of colleges and universities, a few industries, and a few public offices such as the United States Civil Service Commission. Its purpose is to further research activities pertaining to personnel in industry, commerce, education, and government. Its director is a trained psychologist. It publishes the Journal of Personnel Research.

Outside of the United States, foundations of the character just described hardly exist. The London School of Economics and Political Science is about to undertake an enlarged program with the aid of special funds. The Ecole Libre des Sciences Politiques, in Paris, has done very important work in training for the higher administrative positions of the French bureaucracy, but has produced studies chiefly of interest to the student of administrative law. The Hochschule für Politik in Berlin interests itself primarily in training for the administrative service rather than in research in the technical sense. It is now proposed to found research institutions on the American model in Geneva, Vienna, and possibly other centers.

The American universities have made some notable contributions to the study of administration. The earliest of these is to be found in the important studies of centralization carried on at Columbia University from 1898 to 1908. These were published in the University Studies in History and Public Law. The significant researches at Carnegie Institute of Technology developing a scientific approach to personnel problems are well known. The University of Wisconsin under Van Hise made striking contributions to the conduct of state affairs for a decade. Important studies have been made also at Harvard University, Johns Hopkins University, and the University of Chicago, while a very extensive collection of documents has been made at the University of California. It is probable that fundamental studies in administration are most likely to be made within the halls of the great universities, since here are to be found the requisite variety of talents, the freedom from pressure for immediate results, and the permanence which can assure continuity of effort. Foreign universities have published many works in the field of administrative law, but almost nothing relating to the problem of administrative efficiency.

A source of administrative knowledge which has never been developed, but which is now exhibiting signs of future promise is to be found in the organized bodies of civil servants. Some of these organizations, whose number is legion, are developing an interest in the technique of their calling, and are endeavoring to raise it to the plane of a profession. The most notable achievements here are not to be found in the United States but in Great Britain, in the Society of Civil Servants and the Institute of Public Administration, and in the National Association of Local Government Officials. Such organizations as the State Geologists of America, the Association of Public Accountants, and the National Assembly of Civil Service Commissioners and the City Managers' Association, however, are clearly on the road toward important achievements of a professional order tending toward the improvement of public administration.

Certain official or quasi-official gatherings may also be noted. The International Union of Cities and its component groups play a certain rôle in the improvement of local government. The International Congress of the Administrative Sciences brings together every three years some of the leading professional administrators and students of administration from all parts of the world. This Congress publishes its proceedings. Within the United States are a multitude of groups interested in some phase of administrative life. Of these the most important are perhaps the national Civil Service Reform League and the National Municipal League.

An account of the sources of public administration cannot close with-

out mention of the various journals in which new material appears. Among the periodicals dealing with public administration, the most important is the Journal of Public Administration published quarterly on behalf of the Institute of Public Administration by the Oxford University Press. Three volumes have now been issued, containing many penetrating studies, written from the English point of view. No American student can afford to neglect these articles nor fail to follow the development of the Institute.

The Revue Générale d'Administration is published semi-officially by the department of the interior of France. It was established in 1877 and now contains important articles of an historical, descriptive, or analytical nature, a summary of significant cases, official documents and a *"chronique de l'administration française."* A new journal, *Les Sciences Administratives,* is the joint organ of the Union Internationale des Villes, the Congrès International des Sciences Administratives, and the Institut de Bibliographie et de Documentation. Its first number appeared in 1925. It is published in Brussels.

There is no American journal corresponding to either of these publications, although there are numerous periodicals dealing with business administration. Of these, *Administration: The Journal of Business and Control,* founded in 1921, is of the greatest interest to students of public administration. Mention may be made also of *Industrial Management* and of the *Publications* of the Society of Industrial Engineers.

Of outstanding importance to the student of administration is the *Bulletin of the Taylor Society.* Its articles are often of great significance, frequently *a propos* government, and nowhere can the progress of the scientific management movement be better followed.

In the general field of personnel, one should be familiar with the *Journal of Personnel Research,* the official publication of the Personnel Research Federation. The scientific approach to management problems is admirably illustrated by its articles. For the student of public personnel administration, the monthly journal, *Public Personnel Studies,* published by the Bureau of Public Personnel Administration, is of great importance.

Current development of the merit system may be followed in *Good Government,* the organ of the National Civil Service Reform League. *The Annals of the American Academy of Political and Social Science* is devoting more and more space to administration. Attention of the student may be drawn especially to the following volumes.

Vol. 38, Commission Government in American Cities (1911)
Vol. 41, Efficiency in City Government (1912)

Vol. 47, County Government (1914)
Vol. 53, State Regulation of Public Utilities (1914)
Vol. 61, America's Interests after the World War (1915)
Vol. 62, Public Budgets (1915)
Vol. 64, Public Administration and Partisan Politics (1916)
Vol. 65, Personnel and Employment Problems (1916)
Vol. 95, Taxation and Public Expenditures (1921)
Vol. 101, The Ethics of the Professions and of Business (1922)
Vol. 105, Public Welfare in the United States (1923)
Vol. 110, Psychology in Business (1923)
Vol. 113, Competency and Economy in Public Expenditures (1924)
Vol. 119, Science in Modern Industry (1925)
Vol. 123, Industrial Safety (1926)
Vol. 124, Legal Aid Work (1926)

Of much importance are the many journals published by organizations of public employees, such as in the United States, The Federal Employee, the Union Postal Clerk, The Post-office Clerk, The Chief; in Great Britain, The Civilian,[1] The Postal Telegraph, The Quill, Local Government Service; in France, Le Journal du Fonctionnaire; in Germany, Deutsche Beamtenzeitung, and Beamtenjahrbuch. In addition the professional journals devoted to political science, economics and sociology, as well as the journals devoted to particular subjects of administration are of constant service. Consult in particular The American Political Science Review, The National Municipal Review, The American City, and the Political Science Quarterly.

These paragraphs will suffice to indicate the variety and the importance of the subject matter. A very large literature of public administration already is in existence in the United States, together with almost unlimited research materials. Even more abundant sources are to be found dealing with European administrative systems, most of which are unknown to American students. Systematic studies of the national and local administrative systems of the great nations of the world are urgently needed, in order to enable the pooling of available practice and theory. Equally important is the prosecution of research studies, by means of which little by little it may be possible to build a science of administration from what now remains chiefly an art.

[1] In 1926 the title was changed to The New Civilian.

APPENDIX TWO

UNION AFFILIATIONS AND LOCAL ORGANIZATIONS OF MUNICIPAL EMPLOYEES CITY OF CHICAGO

Asphalt Workers
International Union of Rammermen, Pavers, Flag Layers, Wood Block and Brick Pavers, Bridge and Stone Curb Setters and Asphalt Workers, Local No. 57.

Asphalt Workers, Foremen
International Union of Rammermen, Pavers, Flag Layers, Wood Block and Brick Pavers, Bridge and Stone Curb Setters and Asphalt Workers, Local No. 9.

Assessors, Field
Field Assessors and Rate Takers Union No. 16432.

Attendants, Playground
Playground Attendants Union, Local No. 41 of the International Union of Building Service Employees.

Blacksmiths
International Brotherhood of Blacksmiths, Drop Forgers and Helpers, Local No. 1.

Boiler Makers
International Brotherhood of Boiler Makers, Iron Shipbuilders and Helpers of America, Subordinate Lodge No. 1.

Bricklayers
United Order of American Bricklayers and Stone Masons Union, Local No. 21 of Bricklayers, Masons and Plasterers International Union of Chicago.

Bridgetenders
International Brotherhood of Electrical Workers, Local No. 134.

Captains, Fire
The Fire Captains Club.

Carpenters
Carpenters District Council, United Brotherhood of Carpenters and Joiners of America.

Carpenters (Pile Driver Crew)
United Brotherhood of Carpenters, Joiners and Pile Drivers, Local No. 578.

Cement Finishers
Cement Finishers, Rock, Asphalt Layers and Composition Finishers Union, Local No. 502, Operative Plasterers and Cement Finishers International Association.

Clerks
Office Employees Association, No. 12755.

Clerks
Municipal Employees Ex-Service Mens Association.

Clerks, District, Junior
Ward Clerks Association.

Directors, Playground
Playground Directors Association, Local No. 16276.

Directors, Playground Assistant
Municipal Assistant Playground Directors Association, Local No. 16292.

Drain Layers
Tile Pipe and Drainlayers Union, Local No. 674.

Drivers, Motor Truck (Heavy Trucks)
Municipal Motor Truck Drivers Union No. 783.

Drivers, Motor Truck—Gas and Electricity
Public Service Teamsters and Chauffeurs of the International Brotherhood of Teamsters, Chauffeurs, Stablemen and Helpers of America, Local No. 733.

Drivers, Motor Truck (Sanitary)
City Sanitary Teamsters, Chauffeurs and Helpers Union, Local No. 726, Chicago Teamsters, Chauffeurs and Helpers Union of Chicago and Vicinity.

Drivers, Motor Truck (Vehicle Tax Repair)
Chicago, Excavating, Grading & Asphalt Teamsters, Local Union No. 731, Chicago Teamsters, Chauffeurs and Helpers Union of Chicago and Vicinity.

Elevator Operators
Elevator Operators and Starters Union, Local No. 147.

Engineers, Fire
International Union of Steam and Operating Engineers, Fire Department Engineers, Local No. 577.

Engineers, Marine
Licensed Tugmen's Protective Association of America, Local No. 2 of Licensed Tugmen.

Engineers, Operating—(Station Engineers—Police)
International Union of Steam and Operating Engineers, Locals No. 23, 85, 115, 399, 400, 401, 402 and 629.

Engineers, Operating—Hoisting and Portable
International Union of Steam and Operating Engineers, Hoisting and Portable Engineers, Local No. 569.

Engineers, Operating—Pumping Station
International Union of Steam and Operating Engineers, Local No. 556.

Engineers, Operating, Group C. (Formerly Oilers)
International Union of Steam and Operating Engineers, Local No. 845.

Engineers, Steam Roller
International Union of Steam and Operating Engineers, Local No. 464, Street Paving Engineers.

Engineers, Technical
Engineering Employees Association of the City of Chicago.

Engineers, Technical
Technical Engineers, Architects and Draftsmens Union, Local No. 14.

Firemen
The Firemens Association of Chicago, Local No. 2.

Firemen
The Defense Association of the Chicago Fire Department.

Firemen, Stationary
International Brotherhood of Firemen and Oilers, Local No. 7, 166 West Washington St.

Firemen, Tug
Tug Firemen and Linemen Protective Association of the Great Lakes, affiliated with the International Longshoremens Association, Local No. 1 of Licensed Tugmen.

Foremen, Sewer Cleaning
Sewer Cleaning Foremen, Union No. 16394.

Gardeners
Gardeners and Florists Union No. 10615.

Guards
Federal Labor Union No. 15441, A. F. of L.

Harbor Employees
Rivers and Harbors Benevolent Association of Chicago.

Inspectors, Brick
Brickmakers District Council No. 1 of the United Brick and Clay Workers of America.

Inspectors, Cooling Plant
International Union of Steam and Operating Engineers—Joint Executive Board.

Inspector, Elevator
International Union Elevator Constructors, Local No. 2.

Inspector, Food
Chicago Food Inspectors Union, Local No. 12912.

Inspectors, House Drain
House Drain Inspectors Union No. 17728.

Inspectors, Hydrant
Hydrant Inspectors Union, Local No. 16433.

Inspectors, Paving
Paving Inspectors Union, Local No. 378 of the United Brick and Clay Workers of America.

Inspectors, Sanitary
Sanitary Inspectors Union, Local No. 14623.

Inspectors, Sidewalk
Cement Finishers, Rock, Asphalt Layers and Composition Finishers Union, Local No. 502.

Inspectors, Street
Street and Public Utility Inspectors, Local No. 16024.

Inspectors, Transportation
Transportation Inspectors Union No. 17214.

Iron Workers, Architectural
Architectural and Ornamental Iron Workers Union, Local No. 63.

Iron Workers, Structural
Bridge & Structural Iron Workers' Local No. 1 of Chicago of the International Association of Bridge, Structural and Ornamental Iron Workers.

Janitors
Municipal Janitors Union, Local No. 30 of the International Union of Building Service Employees.

Janitresses
City Hall Janitresses Union, Local No. 60 of the Building Service Employes International Union Branch No. 1.

Laboratory Workers
Scientific Laboratory Workers Union No. 16986.

Laborers
Hod Carriers, Building and Common Laborers Executive Council of Chicago and Vicinity.

Laborers, Park
Municipal Park Employes Union, Local No. 17301.

Laborers, Streets and Foremen
Street Sweepers and Cleaners of Chicago and Vicinity, Local No. 361. Affiliated with Hod Carriers, Building and Common Laborers of America.

Lathers, Metal
Wood, Wire and Metal Lathers International Union, Local No. 74.

Lieutenants (Fire)
Lieutenants Club—Chicago Fire Department.

Lieutenants (Police)
Police Lieutenants Association.

Linemen
International Brotherhood of Electrical Workers, Local No. 9.

Machinery Movers
Machinery, Safe Movers and Riggers Union, Local No. 136.

Machinists
International Association of Machinists, Local No. 126.

Marble Setters
Marble Cutters, Setters and Masons Union No. 66.

Matrons, Police
Police Matrons Social and Welfare Club.

Mechanics, Electrical
International Brotherhood of Electrical Workers, Local No. 134.

Molders
International Molders Conference Board.

Nurses, Field
Chicago Public Health Nurses Union, Local No. 16762.

Officers, Health, School
Chicago Health Officers' Association, Local No. 13788.

Operators, Launch
Licensed Tugmen Protective Association of the Great Lakes.

Operators, Moving Picture Machine
Moving Picture Machine Operators of U. S. and Canada, Local No. 110 of the International Association Theatrical Stage Electricians, International Moving Picture Machine Operators of U. S. and Canada.

Operators, Police
Police Operators Social and Benevolent Association.

Painters
Painters, District Council No. 14 of Brotherhood of Painters, Decorators and Paper Hangers of America.

Painters
Municipal Painters Protective Association.

Painters, Sign
Sign, Scene and Pictorial Painters' Union, Local No. 830.

Pattern Makers
Pattern Makers Association of Chicago.

Pavers, Brick and Wooden Block
Wooden Block and Brick Pavers Union of Chicago and Vicinity.

Pavers, Granite Block
Chicago Stone Pavers and Curb Setters Union, Local No. 35.

Plasterers
Journeyman Plasterers Protective and Benevolent Society, Local No. 5.

Plumbers
Chicago Journeyman Plumbers Protective and Benevolent Association.

Policemen
Policemens Athletic and Benevolent Association.

Printer (Feeders)
Franklin Union No. 4.

Printer (Pressmen)
Chicago Printing Pressmens Union No. 3 of the International Printing Pressmen and Assistants Union of America.

Printer (Compositor)
Typographical Union No. 16.

Reduction Plant Employees
Municipal Reduction Employees Union, Local No. 39.

Roofers, Tar and Gravel
United Slate, Tile and Composition Roofers, Damp and Waterproof Workers Association, Local No. 11.

Scrubwomen
City Hall Janitresses Union Local No. 61, Branch 2.

Sergeants
Chicago Police Sergeants Association.

Sheet Metal Workers
Amalgamated Sheet Metal Workers' Union No. 73.

Sign Hangers
Sign and Awning Hangers Union, Local No. 14872.

Sprinkler Fitters
Sprinkler Fitters and Helpers Union, Local No. 281.

Steamfitters
Steamfitters Protective Association of Chicago, Cook County and Vicinity, Local No. 597 of United Association of Journeyman Plumbers and Steamfitters of U. S. and Canada.

Stone Cutters
Chicago Local of the Journeyman Stone Association of North America.

Surgeon, Police
Chicago Police Surgeons Association.

Superintendent, District
Ward Superintendents Union, Local No. 16171.

Watchman
Watchman, Guards, Patrolmen and Custodians Union No. 15793, Cook County, A. F. of L.

Window Washers
Chicago Window Washers Union, Local No. 34 of Building Service Employes International Union.

Woodworkers
United Automobile, Aircraft and Vehicle Workers of America, Local No. 174.

INDEX

Actuarial reserve, 351-53.
Administration, *See* public administration.
Administrators, qualifications of, 185-87.
Advisory function, 85; 187-89.
Affiliation of employee organizations, 383-91.
Agreements, interdepartmental, 71-72.
Agricultural Conference, 69.
Allen, E. W., on centralization, 92-93.
Allocation of functions, 61, 66-69.
Amateur administrators, 45-46, 64-65, 476-77.
Appropriation acts, in Great Britain, 106; and official discretion, 122; for salaries, 291-92; in Wisconsin, 426, 427.
Areas, in public administration, 475-76.
Audit, of local accounts, 86; in Great Britain, 108; in United States, 421-23.

Boards and commissions, responsibility in, 60-61; rôle of, 168-71.
Bryan, William J., on deserving Democrats, 228.
Budget, in federal government, 111-13; Coolidge on, 113; in Illinois, 118; in Massachusetts, 124; in Maryland, 425.
Bureau of the Budget, coördination by, 71-73; duties of, 111-114.
Bureaucratic period, 219-22.
Bureaucracy, 33, 56.
Burleson, A. S., on organization of public employees, 385-86.
Business and public administration, 17-20.

Census Bureau, 68.
Centralization, defined, 56-57; trend toward, 78-83; forms of, 83-88; in Massachusetts, 84; in France, 84; grants-in-aid, 88-94; Dr. Allen on, 92-93; limits of, 98-102; Maltbie on, 98; Whitten on, 98-99; Dodd on, 99-100; Lutz on, 100; leagues of municipalities and, 102.
Chicago, Business Organization of, 70; salary scales in, 214; morale of city employees, 243-46; incentives of employees, 259-62; classification in, 277, 278; promotion in, 302-04; service ratings in, 313; discipline in, 325-27; removal in, 330, 334-36; pensions in, 349-50; employee organizations in, 376-78; investigations in, 430.
Chicago Teachers Federation, 368-69.
Classification, interests involved, 275; illustration of, 276; development of, 277-79; definition, 279; uses of, 280-83; administration, 283-86; over classification, 286; superior employee, 287; duplication of titles, 287-88.
Chief Coördinator, General Supply, 71-72.
Chief Executive, rôle of, 157-60.
City manager plan, 130-31.
City managers, code of ethics, 30.
Civil Service Advisory Council, 397.
Civil Service Commission, status of, 251-58; duties of, 231-33.
Cleveland Association for Criminal Justice, 46.
Committees, interdepartmental, 70-71.
Consent, principle of, 187-89.
Constitutional conventions and administration, 51-52, 53.
Control of administration, by the legislature, 25-31; within departments, 176-181; control of funds, 177-79; general problem, 418-20; objects of legislative control, 420-21; means of control, 421-37; control of accounts and expenditures, 421-23; of appropriations, 423-27; in Wisconsin, 426; in Great Britain, 426; control of administrative policy, 427-28; of personnel, 428-29; by investigation, 429; by interpellation in Wisconsin, 431-32;

by direct administration, 432-33; in Illinois, 434-35; in New York, 435-36; limits of, 437-39.
Control of administration, by the electorate, 439-44; elections, 439-40; recall, 440-41; initiative and referendum, 441-42; primary and secondary contacts, 443-44.
Control of administration, by the courts, 445-48; attitude of courts, 446-48; control of personnel, 448; quo warranto, 449-50; civil and criminal liability, 450-51; control of administrative acts, 451-54; limits of judicial control, 454-60; methods of collecting evidence, 458-62.
Cook County, appointments by courts in, 34-35.
Coöperation, States and United States, 93-94.
Coolidge, on budget, 113.
Coördination, methods of, 69-73.
Cost of government, 10.
Cost of living and salaries, 289-91.
Courts and the administration, 34-40; in matters of discipline, 338-40.

Dayton, charter, 30.
Department head, rôle of, 181-84.
Discipline, extent of, 325; in Chicago, 326-27; forms of, 328-30; agency of, 330-31; right of review, 331-40.
Dodd, Walter F., on organization of departments, 171.

Economy, objective of reorganization movement, 192; claims of, in United States, 201; in Illinois, 201; in Nebraska, 201; in Tennessee, 201; in Pennsylvania, 201; in Idaho, 202.
Efficiency, measurement of, 74-76.
Efficiency ratings, *see* Service Ratings.
Employment, extent of, 209-13; conditions of, 213-16; reasons for seeking public, 260-62.
Examinations, pass, 226; for postmasters, 228; technique of, 262-70; written, 264; oral, 265; trade, 265; performance, 265-66; psychological, 266-68; criteria of, 268-69; standardized, 269-70; results of, 270; promotional, 318-19.
Experts in administration, 14-15; 477.

Fairlie, John A., quoted on rule-making, 410.
Federal Trade Commission, as fact-finding agency, 38; methods of, 459-62.
Financial control, in Great Britain, 105-109; in United States, 111-14; in Illinois, 117-23; in Massachusetts, 124-28; summary, 131-33; criticism of, 136-37; fiscal officials, 140-41; illustrations of, 146-47; of state agricultural colleges, 150-51; of scientific agencies, 151-52; rôle of, 160-163.
Fish, Carl R., on spoils system, 221, 225.
Forum, 374-76.
Fosdick, Raymond, quoted on police, 315-16, 337-38.
France, centralization in, 84.
Freund, Ernst, on public administration, 5; on delegation of rule-making power, 456.

Garfield, Harry A., on advisory boards, 188-89.
Good roads act, 89.
Governmental Research Conference, on civil service commissions, 252-53.
Governors, colonial, 27; increase of power, 131-33; rôle of, 157-60.
Grants-in-aid, 88-94.
Great Britain, Treasury department, 105-108; Exchequer and Audit Departments Act, 108; control of personnel, 256; control of salaries, 293; recruitment in, 308-09; retirement in, 341-42; control of expenditures in, 426.
Griffenhagen, E. O., quoted on salaries, 294-95.

Harding, W. G., appointments, 228.
Holcombe, A. N., on reorganization, 192.
Hoover, Herbert, on organization, 66.

Illinois, department of finance, 117-122.
Illinois Educational Commission, on Civil Code, 149-50.
Illinois Efficiency and Economy Committee, quoted, 115-16; on overhead organization, 165-66.
Illinois, civil code, 116-122, 195-97; opinions of, 148-50; lack of cohe-

sion in, 172; advisory boards in, 188; evaluation of, 196-97.
Illinois, Director of Finance, as coordinator, 70; as control agency, 117-21.
Illinois, use of science in, 14-15; Tuberculosis Association, 46; fiscal officers in, 140; appropriations, 291-92; pensions, 344-45.
Immigrant Aid Society, 46.
Impeachment, 26.
Incentives of employees, 259-62.
Initiative, 95, 147-48, 244.
Inspection, 85-86.
Integration, defined, 57-59; 103-104; in Great Britain, 105-109; in the federal government, 109-15; in Illinois, 115-23; in Massachusetts, 123-28; in city government, 129-31; arguments pro and con, 135-37; statement of issues, 138-148; some opinions, 148-153; judicial decisions, 153-57.
International administration, 81.
Investigation, 28, 429-31.

Jackson, Andrew, on rotation in office, 223.
Jefferson, Thomas, on removals, 221-22.
Joint Commission on Reclassification of Salaries, 243, 280, 290, 397.
Judicial control of the administration, 38-40.
Junk vs. Herrick, 153.
Ju Toy case, 37.

Laissez faire and administration, 7-8.
Land office, judicial functions of, 36.
Lane, Franklin K., on department of the interior, 172; on morale, 248-49.
Laski, Harold J., on advisory boards, 189.
Leagues of muncipalities, 101-102.
Letter carriers, organizations, 369-70.
Licking Township vs. Clamme, 156.
Lowden, Frank J., on Illinois civil code, 116-17.
Lowell, A. Lawrence, on political chief and experts, 179-80.
Lutz, Harley H., on centralization, 100.

Machinery of Government Committee, on research, 16-17; on organization, 66; on financial control, 152.
Mann, A. R., on financial control, 150-51.
Maryland budget, 425.
Massachusetts, bank control in, 28; centralization in, 84-85; integration in, 123-28; commission on administration and finance, 124-25; department organization in, 166-67; civil service commission, 256; removals in, 339; pensions in, 348-49; rule-making power in, 412, 417.
Mayers, Lewis, on civil service commission, 257; on promotions, 307-308.
Meriam, Lewis, quoted on pensions, 352, 360, 365.
Mill, John Stuart, on legislatures and administration, 23, 25.
Measurement of administration, 74-76.
McCombs, C. E., on boards, 169.
Morale, nature of, 237-42; depressives of, 242-46; in federal government, 243; in Chicago, 243-46; fundamentals of, 246-50.

Nagel, Charles, quoted on promotions, 319-20.
National Civil Service Reform League, on organization of public employees, 386-87.
National Federation of Federal Employees, on classification, 280; scope and nature of federation, 371-74.
National Municipal League, on civil service commission, 251-54.
Nebraska, fiscal officers in, 140-41; reorganization in, 201.
New Jersey, reorganization in, 194-95.
New York, Charities Aid Association, 46; department of farms and markets, 168, 175n; salaries, 291-92; promotion in, 301, 305; industrial commission, rule-making power, 404-06.

Organization of administration, by the legislature, 26-27, 52-54; proper authority to organize, 51-55; by constitutional conventions, 51-52; forms of organization, 55-59; departmental organization, 66-69; types of overhead management, 165-71; types of internal organization, 171-75.

Organization of public employees, extent of, 367-78; uses of, 379-82; affiliation, 382-91; methods of, 391-94; joint councils, 394-97; list of Chicago organizations, 484-89.

Parties, *see* political parties.
Pennsylvania, reorganization in, 197-98, 201.
Pensions, *see* retirement.
People vs. Lowden, 153.
Personnel Classification Board, 284.
Personnel management, 216-218.
Police, strike in Boston, 392; organization of British, 396.
Political Parties and the administration, 41-45; 143-44; 222-30.
Pooling services, 309-10.
Post Office, fraud orders, 36-37; organization of employees in, 369-71; welfare councils, 396.
Pound, Roscoe, quoted, 40.
President, appointing power, 42; no power to organize departments, 109; on budget, 113; and Business Organization, 114-15.
Press and administration, 62.
Prestige in public service, 20-21; 341-42.
Printing, control of, in Illinois, 122; in Massachusetts, 125-26, 127-28.
Probation, 271.
Promotions, limitations on, 298-300; criticism of in federal government, 300-301; in New York, 301-302; in Chicago, 302-304; closed vs. open systems, 305-10; basis of, 310-20; seniority, 311; service ratings, 312-18; promotional examinations, 318-19; unrestricted discretion, 319-20.
Professional administrator, need for, 63-65.
Public administration, definition, 1-4; and administrative law, 5; place in modern government, 6-9; new interest in, 10-13; differentiated from business administration, 17-21; and private organizations, 45-49; types of administration, 55-59; and the press, 62; general conditions affecting, 463-72; development of, 472-75; local area in, 469; decline of independent office, 471-72; rôle of unions in, 472-73; improvement of, 473-75; unsettled problems in, 475-78; sources of, 479-83.
Public employment, magnitude of, 209-13; conditions of, 213-16.

Quo warranto, 449-50.

Reform of Civil Service, 226-30.
Recruitment, general conditions, 258-62.
Redfield, William C., quoted, 25; on appointment, 186; on Congress, 436.
Reinstatement, 322-23.
Removal, in Chicago, 330, 333-36; in federal government, 332-33; of police, 337-39; in Massachusetts, 339.
Reorganization of administration, movement toward, 138-39, 190-93; in city government, 193-94; types of, 194; in New Jersey, 194-95; in Illinois, 195-97; in Pennsylvania, 197-98; in the federal government, 198-99; results of, 200-204; criticism of, 203-4.
Reports, 177.
Research Bureaus, 480.
Responsibility, allocation and definition of, 59-63; in integrated type of administration, 145-47.
Retirement, in Great Britain, 341-42; in United States, 342-44; general characteristics of retirement plans, 344-51; United States, 345-48; Massachusetts, 348-49; Chicago, 349-50; establishment of funds, 351-57; cash disbursement vs. actuarial, 351-53; contributory vs. non-contributory, 354-56; accrued liabilities, 356-57; benefits to be provided, 357-61; administration of funds, 361-62; objects, 362-66.
Rock Island Arsenal plan, 396-97.
Roosevelt, Theodore, on police, 60-61; on Senator Platt, 435-36.
Root, Elihu, on boss rule in New York, 435.
Rules and regulations, 32-33, 399-400; relation to law, 400-401; scope and extent, 402-406; safeguards, 407-14; importance of, 414-16; Massachusetts amendment, 417.

Salaries, methods of fixing, 288-94; principles of, 294-96; in United States, 288-89.
Science and administration, 13-17; and centralization, 81-82.

Scientific Laboratory Workers Union, 377.
Scientific Management, 12-13.
Self-governmental administration, 55.
Seniority, 311.
Service ratings, 312-318; in Chicago, 313; army rating scale, 313-14; in New York, 314; National Bank Redemption Agency, 314-15; in police, 315-16; criticism of, 316-18.
Sikes, George C., quoted on pensions, 362.
Smith-Hughes Act, 89-90.
Spoils System, origin, 222-226.
Staff and line, in federal government, 110-111, 175 n.
State vs. University of Idaho, 156-57.
State Board of Agriculture vs. Auditor General, 156.
Studensky, Paul, quoted on pensions, 355-56.
Statutory roll, 288-89.
Strike, in Boston, 391-92; defense of by Spero, 392-94; President Butler on, 393-94.
Subsidiary offices, 173-76.
Supervision, limits of, 68; types of, 176-181.

Taft, William H., on state government, 115; on pensions, 363-64.
Telford, Fred, quoted on salaries, 294-95.
Tenure of Office Act, 222.
Titles, confusion of, 280-81.
Training, 271-83.
Transfers, 321-22.
United States, Public Health Service, 80-81; Bureau of Efficiency, 110; Bureau of the Budget, 111-14; Business Organization of, 114-15; reorganization of, 198-200; promotions in, 300-01; pensions in, 342-43, 345-48.
United States ex rel Milwaukee Social Democratic Publishing Co. vs. Burleson, 447.
United States vs. Ju Toy, 37.
United States Chamber of Commerce, on efficiency, 11.

Vaile, Gertrude, on boards, 169-70.
Veteran's preference, in United States, 230; in Massachusetts, 230-31; in New York, 231.
Vocational guidance, 273.

Waivers, 271.
Washington, George, appointments, 220; letter to soldier's widow, 220.
Washington, State organization, 167.
Whigs, and the spoils system, 225.
Whitley Council, 394-95.
Whitten, Robert H., on centralization, 98.
Willoughby, W. F., on types of organization, 57; on integrated type, 67.
Wisconsin, fiscal officers in, 141; interpellation in, 431-32; industrial commission's method of collecting evidence, 459.
Wilson, Woodrow, on public administration, 9; appointments, 228.
Woodward, Charles E., opinion on Illinois civil code, 140-50.
Worcester, Charter of, 129.
Wright, Henry C., on Illinois, 197.